

A CULTURE ASSESSMENT OF
XYZ MANUFACTURING COMPANY

by

Andrea C. Price

A Research Paper

Submitted in Partial Fulfillment of the

Requirements for the

Master of Science Degree

in

Training & Development

Approved: for 4 Semester Credits

Kat Lui

The Graduate School

University of Wisconsin-Stout

December 19, 2003

The Graduate School
University of Wisconsin Stout
Menomonie, WI 54751

ABSTRACT

Price	Andrea	Celeste	
(Writer)	(Last Name)	(First)	(Middle)
A Culture Assessment of XYZ Manufacturing Company			
(Title)			
Training & Development, M.S.			
(Graduating Major)			
Kat Lui	December 19, 2003	95	
(Research Advisor)	(Month/Year)	(No. Pgs.)	
American Psychological Association, 5 th edition			
(Name of Style Manual Used in this Study)			

What differentiates one successful, long-lasting company from another? The major distinguishing feature in comparing company's success or non-success is in their most important competitive advantage and key ingredient to success – organizational culture. The long term success of companies has had more to do with company values, vision, and personal beliefs than market focus, competitive positioning, and resource advantage (Palmer, 1999).

The purpose of this research study is to evaluate the current organizational culture of XYZ Manufacturing Company. The study assessed the organizational strengths and weaknesses, provided an aid for decision making during strategic planning, and established measures for benchmarking and evaluating change in the organization over time.

In order to meet the goals of the study, data was gathered from 40 employees of the organization. The data was collected using a survey that was developed by the researcher through collaboration with the president of the organization and is based on the Denison Culture Model (2003). The survey was divided into four categories that included: Involvement, Business Principles, Working Relationships, and Employee Satisfaction and yielded a 77.5% response rate. Results of the survey are displayed into a circular model for ease of identifying and analyzing the areas of strength and concern.

ACKNOWLEDGEMENTS

I would like to take this opportunity to thank several individuals who have continuously supported me throughout this journey.

- First, I would like to thank my Research Advisor, Katherine Lui, as she has given me the guidance and support needed to complete this study.
- In addition, thank you to XYZ Manufacturing Company and the employees that agreed to participate in the study.
- Thank you to Lisa Kiepert, for her help and creativity in the graphic for the culture wheel.
- I would also like to say a special thank you to someone who is not only my boss, but also a mentor, XYZ Manufacturing Company's President. He has given me continuous support and has influenced me on both career and life choices.
- Lastly, I would like to thank Eric Segar, my family and friends for all of their listening, encouragement, support, and reassurance.

My sincere gratitude to all of you!

TABLE OF CONTENTS

Abstract	ii
CHAPTER ONE: INTRODUCTION	
Introduction.....	1
Statement of Problem	3
Objectives	4
Purpose of the Study	4
Significance of the Study	4
Definition of Terms.....	5
Limitations of the Study	6
CHAPTER TWO: LITERATURE REVIEW	
Introduction.....	7
Culture.....	8
Climate: How it differs from culture	12
Reasons for a Culture Assessment.....	13
Effects on Organizational Performance.....	17
Trust & Culture	22
Changing Organizational Culture	23
Summary.....	28
CHAPTER THREE: METHODOLOGY	
Introduction.....	31
Study Population.....	31

Design and Structure.....	32
Data Collection Methods	35
Response Rate.....	35
Data Analysis	36
CHAPTER FOUR: RESULTS	
Results.....	37
Summary of Findings.....	53
CHAPTER FIVE: DISCUSSION	
Introduction.....	55
Summary of Study Procedures.....	55
Summary of Results.....	57
Conclusions and Implications	58
Recommendations.....	59
REFERENCES	69
APPENDIX A: Culture Assessment Study.....	71
APPENDIX B: Survey Results Booklet used in Strategic Planning	77
APPENDIX C: Pre-Survey Letter to Employee Home	87
APPENDIX D: Definitions of Categories and Sub-Categories.....	88
APPENDIX E: Employee Compensation Study Presentation.....	90

CHAPTER ONE

INTRODUCTION

XYZ Manufacturing Company (throughout this research paper, the identity of the company will remain anonymous) is a privately held, family owned, industrial lubrication equipment manufacture located near Milwaukee, Wisconsin. The Company has been apart of the Wisconsin manufacturing landscape since 1917 and has earned the reputation as one of the key suppliers for lubrication equipment in the industry.

The company manufactures lubrication related products such as oilers, spray systems, applicators, and condition monitoring equipment. In addition, the company also brands products from other companies to enhance its product offerings. These products are used in a variety of industries such as Pulp and Paper, Food, Beverage, Metalworking, Textile and Chemical Processing. XYZ Manufacturing Company is dedicated to selling its products through distribution. The company's distribution base covers all of the United States and 50 countries throughout the world.

XYZ Manufacturing Company employs just under 40 people and is structured with one CEO, one president and five identified management positions within the organization. Until recently, the organization's President/CEO has been an individual from the founding family. In 2003, the third generation President/CEO stepped down and appointed a non-family member to

lead XYZ Manufacturing Company as president. The third generation family member has remained the CEO of the organization.

The management positions include (1) Administration, (2) Quality Assurance, (3) Engineering, (4) Operations and (5) Sales & Marketing. Administration includes accounting, facilities, information technology, and office management. Quality Assurance includes one individual that handles quality issues for the organization and is also the corporate secretary. Engineering is currently made up of a designer and new product development engineers. Operations directs materials management, production and vendor management. Sales & Marketing is currently led by the president of the organization and includes outside and inside sales, customer service, and marketing personnel.

XYZ Manufacturing Company has a set mission, vision, and five values that it stands for. The stated mission is “Building Industrial Lubrication Customers for Life”. The vision statement is “Worldwide Leadership in Lubrication Management”. The company has also established 5 values which include: (1) Trust, (2) Respect, (3) Integrity, (4) Courage, and (5) Ownership. The values have been defined by XYZ Manufacturing Company as follows:

1. **Trust:** The result of building reliable and dependable relationships
2. **Respect:** The sincere recognition of value
3. **Integrity:** Being honest and consistent while maintaining unity in purpose and action
4. **Courage:** Overcoming fear through actions toward shared goals

5. **Ownership:** The acceptance of responsibility for one's actions

In addition to the stated mission, vision, and values of the organization, XYZ Manufacturing's executive team has also identified what they believe to be the current and desired state of the organization. They determined what they believe the existing culture of the organization is and what they would like it to be during last year's strategic planning session.

The executive team has identified its current culture as, "A nice comfortable place to work, where people strive to maintain the status quo to fit in and protect job security". In addition, the executive team also created a list of the following items regarding its state of culture: (1) no change - no problem, (2) a nice comfortable place to work, (3) where the needs of the individual may take precedence over the needs of the organization as a whole, (4) wait and see attitude, (5) territorial, (6) methodical, and (7) premium placed on security and longevity (years of service).

The vision for the future of the company's culture was also talked about during the 2002 Strategic Planning Session. When asked "What do we want our culture to be?" the executive team described several traits and characteristics that include: (1) proactive, (2) creative, (3) challenges the norm, (4) embrace change, (5) goal driven, and (6) a can-do attitude.

Statement of the Problem

XYZ Manufacturing Company has been part of the Wisconsin industrial setting for over 85 years. Due to its long time existence, recent increased desire to change, need for sales

growth, a possible acquisition on the rise, and lack of assessing the organization's culture in the past, an assessment is needed.

Objectives

1. Evaluate the current organizational culture at XYZ Manufacturing Company.
2. Assess if a change in culture is needed.

Purpose of Study

The survey will assess organizational strengths and weaknesses, provide an aid for decision making during strategic planning, and establish measures for benchmarking and evaluating change in the organization over time.

Significance

Often there is inconsistency between what an organization strives to achieve, and the beliefs and values actually displayed. An organization must discover "who" it is before it can work on who it wants or needs to be to succeed. A well-designed culture survey will enable the company to determine the gap between its current culture and the culture it needs to succeed (Palmer, 1999).

Hypothesis

Due to the company's long time existence, an embedded culture that has a need for improvement is assumed. Additionally, outcomes will enable the executive team to formulate plans to improve the culture, based on the low scoring areas of the assessment.

Definition of Terms

Anonymity: Of unknown origin (Merriam Webster, 1995)

Belief: Something believed (Merriam Webster, 2003)

Benchmark: A point of reference from which measurements may be made (Merriam Webster, 2003)

CEO: Abbreviation for Chief Executive Officer

Change: To make or become different (Merriam Webster, 2003)

Climate: The prevailing influence or environment conditions characterizing a group

Culture: Includes the written and unwritten rules that shape and reflect the way an organization operates

Mission Statement: The organization's statement of purpose (Crouch, 2003)

Strategic Planning: The process of determining a company's long-term goals and then identifying the best approach for achieving those goals. (Crouch, 2003)

Survey: To query (someone) in order to collect data for the analysis of some aspect of a group or area (Merriam Webster, 2003)

Value: Guiding principles or ideal (Merriam Webster, 2003)

Vision: The organization's statement of future position (Crouch, 2003)

Limitations of the Study

The study included all employees of the organization, with the exception of the researcher and the CEO of the organization. In addition, all employees were given the opportunity to complete the survey, but due to its anonymity, it was not mandatory. The study was also limited to employees of the organization during the summer of 2003.

Being that the organization had not surveyed employees in the past, it did contain a portion of climate questions. This enabled the organization to find out more about some of the feelings and opinions that the employees had regarding compensation, supervisor relations, and job expectations. Therefore, the researcher will study the organizational climate and culture in order to aid in XYZ Manufacturing Company's needs.

The next chapter will review literature in the area of organizational culture, specifically on culture, how it differs from climate, reasons for a culture assessment, cultures link to organizational performance, change and trust. The additional three chapters will report on the methodologies used to design and implement the survey, discuss the summary of results, and provide recommendations for the future.

CHAPTER TWO

LITERATURE REVIEW

The purpose of this study is to assess the current culture at XYZ Manufacturing Company. A need for this study exists due to the company's long time existence, increased desire to change and grow, a possible acquisition on the rise, and to create a benchmark for future assessments. The literature review will define what culture is, what the difference is between climate and culture, reasons for a cultural assessment, what effect culture has on an organization's performance, trust and cultural change.

Problem Statement

XYZ Manufacturing Company has been part of the Wisconsin industrial setting for over 85 years. Due to its long time existence, recent increased desire to change, need for sales growth, and lack of assessing the organization's culture in the past, an assessment is needed.

Research Objectives

1. Evaluate the current organizational climate at XYZ Manufacturing Company.
2. Assess if a change in culture is needed.

Culture

The concept and definition of organizational culture has been debated by many experts in the field for over a decade. Even though Organizational Development professionals have different beliefs of the exact meaning, all seem to agree that culture is an important success factor for the over-all performance of an organization. In this research paper, I will give some definitions that have been used, although not fully agreed upon, to gain a better understanding of its definition. The purpose of this research paper is not to argue what its definition is, but rather to focus on how it is important to the overall organization's effectiveness.

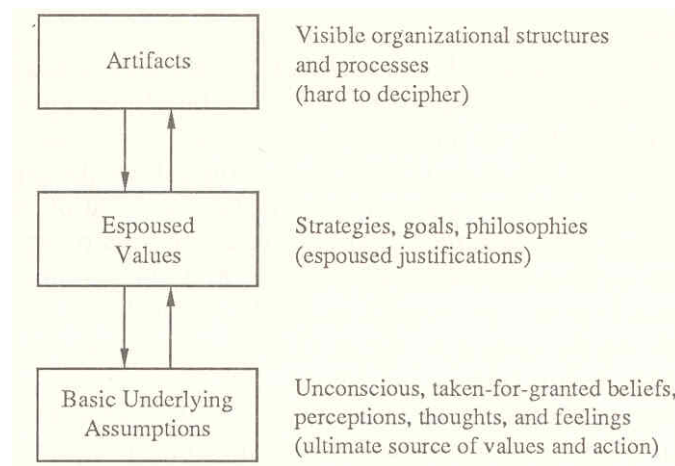
Schein (1992) defines organizational culture as:

A pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration, that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems (p. 12).

Schein also states that these assumptions “come to be taken for granted” because they solve the group's problems “repeatedly and reliably” (p. 6). Additionally, because these assumptions function unconsciously and instinctively, culture is often a challenging concept for organizational members to not only understand but, measure, and change (Kraut, 1996).

Schein also notes that culture can be analyzed at several different levels including artifacts, espoused values and basic underlying assumptions. Artifacts are defined as “visible organizational structures and processes” (1992, p. 17). Examples of artifacts include dress codes, architecture, newsletters, signs, and banners. Another level of culture stated by Schein is

Espoused Values. Espoused Values are audible and spoken, and includes goals, sayings, philosophies, strategies and slogans. The third level described by Schein is Basic Underlying Assumptions (BAUs). BAUs are “unconscious, taken-for-granted beliefs, perceptions, thoughts, and feelings”. This includes assumptions that are not directly observable, consequently hard to analyze and change.



(Schein, 1992, pg 17)

Similar to Schein, Daniel Denison (1990) defines organizational culture as “underlying beliefs, values, and assumptions held by members of the organization, and the practices and behaviors that exemplify and reinforce them.” Denison has conducted several studies examining the impact of organizational culture on performance and has identified four organizational culture traits that impact performance (1) Involvement, (2) Consistency, (3) Adaptability and (4) Mission. The identified traits are used in the Denison Organizational Culture Survey developed by Daniel Denison and William S. Neale (2003). The survey breaks out the identified traits to provide a way to link organizational culture to bottom line performance measures such as profitability, quality, innovation, market share, sales growth, and employee satisfaction.

Although Schein and Denison both provide excellent formal definitions of culture, a basic definition of culture has also been provided by Terrance Deal (Lui, personal communication, 2003) as “It’s how things get done around here”. Just as families and cities have a specific look and feel to them, so do organizations. This look and feel can represent culture, as it includes images, distinct methods of doing things and how it is perceived by others.

A recent research project plainly illustrates how culture is formed and what it does. The research project did a study on four monkeys that were placed in a cage with a banana. When one of the monkeys approached the banana, it received a low-intensity shock. When shocked, the monkey drew back. When another monkey approached the banana, the first monkey that was shocked shrieked a sound of warning. The pattern repeated until all of the monkeys were warned and the banana remained untouched. As the study continued, they removed and replaced monkeys into the cage. Each new monkey attempted to retrieve the banana, but was warned by another monkey in the cage. The cycle continued and eventually four new monkeys were in the cage, the banana remained untouched and all of the monkeys remained shock free (Marc & Farbrother, 2003, pg 14).

What this study shows is how culture is formed and is embedded in the behaviors and actions of the organization. If you think of the monkeys as employees of an organization, you can see a direct connection to culture and its effects on the behaviors exhibited. Culture becomes instilled in organizations to the point where individuals do not know how things came to be, but trust what is passed along.

Culture influences the behavior of all individuals and groups within an organization. It influences most aspects of organizational life, including how decisions are made, who makes them, how rewards are given, who is promoted, how people are treated, and how the organization responds to its environment. Culture to an organization is what personality is to an individual. It is that distinctive collection of beliefs, values, work styles, and relationships that distinguish one organization from another (Roger Harrison & Stokes, 1992, pg. 1).

Langdon (Langdon, 2003, ¶ 1) stated the following regarding culture change and influences:

“An organization matures like a person. Moving from infancy to feisty adolescence, to maturity and balance in middle age. And just like personality, culture matures too. With history and experiences, culture becomes firmly established and starts to slip down from the surface, getting layered and becoming harder to really define what is at the heart of why people do the things that they do. To change the culture in an organization – you have to get at the root of why people do the things that they do. Tinkering at the surface gets you nowhere. The most basic assumptions need to be unearthed and people need to be aware of what really drives the thinking, feeling, and behavior in the organization. The more you wear the company clothes the harder it is to know why you started to wear them in the first place – they become unchecked habits and routines that seem so normal.”

Climate: How it differs from Culture

“Employee satisfaction surveys [climate surveys] measure how individuals *feel* about the company. Culture studies measure how those factors effect the organization and its capability to achieve its objectives.” (Palmer, 1999, pg 1).

Strong cultures provide stability and predictability because they give people direction for behavior, ideas, and about how to respond or make decisions in uncertain situations. Culture simply can be viewed as behavior. How employees act or react to situations based on past experiences within the organization. It is not how one feels about their pay scale or what they thought of the holiday party last year. However, the reasons why one has specific feelings about these items, does stem from organizational culture. By this, I mean, that culture is affected by climate, as climate is a subset of a true culture assessment (Roger Harrison & Stokes, 1992, pg 25).

Climate is considered relatively temporary, subject to control, and largely limited to those aspects of the social environment that are consciously perceived by organizational members. Some experts may even deem climate as a “lighter version” of culture. An accepted definition of climate is “A set of measurable properties of the work environment, based on the collective perceptions of the people who live and work there that influence their motivation and behavior” (Al-Shammari, 1992, pg 30).

Moran and Volkwein (Moran & Volkwein, 1992) define climate as:

A relatively enduring characteristic of an organization which distinguishes it from other organizations and (a) embodies members’ collective perceptions about their organization with respect to such dimensions as autonomy, trust, cohesiveness, support, recognition,

innovation and fairness; (b) produced by member interaction; (c) serves as a basis for interpreting the situation; (d) reflects the prevalent norms and attitudes of the organization's culture; and (e) acts as a source of influence for shaping behavior. A more basic definition of climate would be "the way it feels to work in an organization" (R. Hagberg & J. Heifetz, 2003, ¶ 1).

Reasons for a Culture Assessment

Many reasons exist in order to assess the culture within an organization. "Organization leaders manage their operations and finances, they must manage their cultures as well" (Clemente, 2003, ¶ 4). "Corporate culture is one of those amorphous business concepts that leaders too often neglect because of its sheer intangibility. Yet culture – an effective culture – is arguably the most valuable intangible asset a company can own" (Clemente, 2003, ¶ 1). In addition, "studies have repeatedly found that high performing organizations are aware of, and leverage the strengths of their corporate cultures" (Palmer, 1999,pg. 1).

Organizational culture is a not a simple statement developed by senior management and placed on a wall. These are only ideals. In order to work towards improving culture, an organization must find out "who" it is. A well-designed survey/assessment will enable a company to determine the gap between its current culture and the culture it needs to succeed (Palmer, 1999, pg. 1).

Jim Collins and Jerry Porras in *Built to Last* (2002), demonstrated that great enduring companies are usually built on both a solid foundation of timeless core values, but also the adaptability of their behavioral practices, secondary values, structures, and other cultural artifacts. According to Collins, the secret to a company that will last is its ability to manage both continuity and change.

Denison describes several reasons and applications for a culture assessment some include (1) general business applications, (2) mergers and acquisitions, (3) a new president or CEO on a board, (4) organizations that may be facing decline and (5) new strategic initiatives. XYZ Manufacturing Company's motivation for doing an assessment also includes the following reasons (2003, ¶ 32).

1. General Business Applications

- a) A baseline assessment of current cultural strengths and weaknesses.
- b) Clear prioritization of short, mid, and long term change efforts - relative to the results sought for each of these time frames.
- c) Understanding of the organizations' areas of similarity and/or difference - for the purpose of planning and implementation of integration efforts.

2. A Merger/Acquisition

- a) Identification of those cultural areas which, although supportive of success in a previous environment, will hinder success going forward
- b) Targeting and prioritizing of culture change efforts to match desired results - at the organization, department and team levels.

3. A New CEO

- a) The new leader's rapid understanding and interpretation of organizational (as well as departmental/ divisional/team) strengths and weaknesses, and prioritization of these areas for both leverage and development.
- b) A baseline against which the new leader can later measure his/her success in moving the organization forward toward high performance.

4. An Organization in Decline

- a) Interpretation of cultural factors and their possible links to the decline of the organization's performance.
 - i. Is there a clear mission for the organization?
 - ii. Is there enough adaptability/flexibility in the organization to respond to a changing environment?
 - iii. Are the systems current and supportive of successful goal attainment?
 - iv. Is the organization continuing to learn and develop the competencies of its personnel?
 - v. Is the organization listening to and responding to the concerns of its customers - or is it "doing what has always worked" regardless of what the customer wants?

- b) Prioritization of efforts to reverse the decline relative to areas of specific cultural strengths and weaknesses and desired business results.

5. A New Strategic Initiative

- a) Understanding of whether or not the necessary cultural conditions exist to support the successful implementation of the initiative.
 - i. Is the mission clear?
 - ii. Is there high involvement and support for the initiative?
 - iii. Is there the required adaptability to support a new/different path?
 - iv. Are the systems and structures in place to ensure the initiative's quality implementation?
- b) Prioritization of systemic-efforts (communication processes, systems, competency requirements, cross-team efforts, etc.) which must be implemented simultaneous to the new strategy to ensure success.

Pfeffer (1994) stated that “traditionally, product and process technology, protected or regulated markets, access to financial resources, and economies of scale have all provided business with a competitive advantage. Organizations can no longer count on some of these advantages. People and how they are managed is rapidly becoming the most important competitive advantage that an organization possesses.”

Effects on Organizational Performance

“There is increasing evidence of a link between organizational culture (how work gets done) and its business (what actually gets done)” (Kraut, 1996, pg. 70). “Culture can either be an asset or a liability to an organization” (Marc & Farbrother, 2003, pg. 15).

Many times culture is referred to as the “soft stuff”, when in actuality, it can be considered the “hard stuff” to not only determine, but monitor and change. “It is difficult to manage, cumbersome to change, and almost impossible to measure” (Juechter, Fisher, & Alford, 1998, pg. 63). Culture defines, maintains, and sets limits of an organization’s ability to function.

Kraut (1996) states that culture is anything but soft. He noted that a computer system, accounting procedures, or even building an atomic bomb is all easily understood. All one would need to do, is take a class, read a book or access the internet to get the information needed to complete the task. “However, finding the delicate balance in corporate culture, defining values, articulating a vision to all employees, surviving all the years of battle with competition, and redefining the mission of the organization at every crossroad to survive, can hardly be called soft.”

Additionally, all the organizational changes in the world do not present improved performance, unless an organization’s culture and people are fully prepared and aligned to support that change. Culture is what distinguishes truly high performing organizations from others (Juechter et al., 1998, pg. 64).

Success does not revolve on any one reward system, training initiative or strategic plan. It is now being realized that true success stems from a strong, healthy culture. In order to manage culture, an organized approach is needed to get at the heart of the organization, which includes the attitudes, beliefs, habits, and expectations of all individuals from the organization (Juechter et al., 1998, pg. 63). Changing culture is not like overnight surgery or the “flavor of the month” project, as it needs time and commitment in order to be changed. Changing culture is shaping beliefs, assumptions, values, and patterns of behavior. It is changing mindsets and coming to new ways of thinking (Jack Pachuta, personal communication, November 9, 2003).

The “bottom line” is important to all companies striving to achieve. Commonly, emphasis is placed on tying the bottom line to structure and dollars. Today, companies need to pay attention to more than just structure and dollars and include social, emotional, and behaviors. It is no longer just important to get the job done (Mary Buchel, personal communication, July 22, 2003). More importantly is how that job gets done and its influence on individual teams and the way in which it affects individuals and the learning that takes place (Jack Pachuta, personal communication, November 9, 2003).

“Services and products may be the nuts and bolts of business, institutions, and local governments, but culture is their driving engine. Culture influences the everyday living, engagement, and enthusiasm of staff. It influences not only the direct outputs and efficiencies of an organization, but also the health and flexibility of employees. Understanding culture and seeking to find out more about culture will allow leaders to increase intellectual behavior, and

attitudes that each employee “owns” and can choose to share with the organization” (Marc & Farbrother, 2003, pg. 14).

“Three quarters of reengineering, total quality management, strategic planning, and downsizing efforts have either failed entirely or created problems serious enough that the survival of the organization was threatened”. The interesting part of the statistic (and probably the most important point) is the reason why they failed. Several studies reported that the most frequently cited reason for failure was a neglect of the organization’s culture (Cameron & Quinn, 1998, pg 1).

In addition, Kraut (1990, pg. 89) stated that the two thirds of change efforts fail due to inappropriate culture to support the change. The below research is based on work done by Schiemann on over 100 managers and executives of the Fortune 500 firms.

Barrier to Change Efforts	% of Companies Reporting n = 102
Employees' resistance to doing things in new ways	74
Inappropriate culture to support change	65
Poor communication of purpose/plan for change	45
Incomplete follow-through to change initiative	42
Lack of management agreement on business strategy	39
Insufficient skills to support change	39

Source: Kraut, 1996, pg. 90, from Schiemann, 1992

According to Porter (1980) successful companies are characterized by six defined conditions. The characteristics of successful companies illustrated include:

1) Presence of high barriers to entry

- a) When other organizations face difficulty in engaging in the same kind of business

2) Nonsubstituable products

- a) When other organizations cannot duplicate your products

3) Large market share

- a) Enhances a business by allowing them to capitalize on economies of scale

4) Low levels of bargaining power for buyers

- a) When purchasers of your product become dependent because they have no other source for your product.

5) Suppliers have low levels of bargaining power

- a) When suppliers have no alternative customers

6) Rivalry among competitors

- a) Helps deflect attention away from competition as they will struggle against each other rather than targeting your company

Cameron and Quinn (1998, pg. 2) believe that these are important features that will enhance success, but also show examples of very successful companies that have not had these characteristics. One of companies referred to was Wal-Mart, who showed a 19,807% return. When Wal-Mart started, many would have thought they were out of their mind. They entered an industry that had massive competition, virtually no barriers to entry, little unique technology, and many substitute products and services. Wal-Mart took Sears and Kmart, the two largest

retailers in the world at the time. Each of these companies had to sell off divisions, replace CEOs, downsize dramatically, and close stores.

One of the key ingredients to success noted by Cameron and Quinn (1998, pg. 3) was not through market focus, competitive positioning, or resource advantages. The success came from something less tangible, less obvious, but more powerful; organizational culture. If you think of successful companies such as Walt Disney, Microsoft, Sony, Rubbermaid, and General Electric, you will find that they each have “a distinctive culture that can be clearly identifiable by its employees” (pg. 4).

Louis Mustante (2003, pg. 3) stated that “A company’s culture is one of the most difficult things for competitors to copy”. The culture may have been created by its founder, emerged over time, or developed by management. What is significant is that culture supersedes any organizational strategy, market presence, or technology. All of these things are important to the success of a company, but they will not be effective without a strong, unique culture. In today’s fast changing business world, understanding and assessing your organization’s culture can mean the difference between success and failure (R. Hagberg & J. Heifetz, 2003).

Trust & Culture

Our lives are based on trusting people and relationships. We trust people to follow traffic rules and we trust that when we buy a product it will be of quality. Sadly, many people appear to have lost confidence or trust in their leaders and in the programs they lead. Organizations where

people distrust each other, doubt other's motives, and pursue independent agendas will not be effective (Fairholm, 1994).

Trust is the glue that holds an organization, its people and programs together. Trust is interpreted by employees through leader's actions and the words that they speak. A leader's actions or words can either build or hurt the organizational trust levels. Culture affects willingness to trust, and willingness to trust helps define culture (Fairholm, 1994).

Fairholm (1994) defines trust as "reliance on the integrity, or authenticity, of other people". In addition, Fairholm (1994) also noted:

"The foundation of trust is truth. A culture that includes a trust atmosphere allows the leader to empower followers by building mutually compatible relationships rather than coercive ones. Trust is key to the task of creating a corporate culture built on the values of respect and candor and is critical in values leadership."

What are some reasons hindering a trusting culture? Fairholm (1994) introduced some elements hindering a trusting culture, that include (1) the quality of communication, (2) the way a company assigns authority, (3) general feelings of apathy and alienation and (4) lack of effective accountability mechanisms and time constraints.

Trust is not just given out; it is something you work to gain. The process of developing trust is not a quick process and is earned over time. Several factors are key to developing trust noted in Fairholm's book (1994) including (1) integrity, (2) patience, (3) altruism, (4)

vulnerability, (5) action, (6) friendship, (7) character, (8) competence and (9) judgment. In addition, he noted four ways to develop trust including (1) participation, (2) helping, (3) listening and (4) leadership.

Changing Organizational Culture

In the article *Five Conditions for High Performance Cultures*, Juechter, Fisher, and Alford, (Juechter et al., 1998, pg. 8) note:

“A 1993 *Business Week* article reported that 79 percent of the 400 executives polled said change in their companies was rapid or extremely rapid, 61 percent predicted the pace of change would accelerate, and 25 percent said that they couldn’t name a single company good at managing change.”

Today, it is hard to find a person who has not been affected by change. Yet , the very thought of making a change is something that can introduce feelings of dread and fear throughout an organization, which often stimulates resistance. Most people instinctively resist change. Alexander Graham Bell once said that, "When one door closes another door opens; but we so often look so long and so regretfully upon the closed door, that we do not see the ones which open for us” (Bell, 2003).

In addition, Barbara Mink, EdD (2003) affirmed that there are three main reasons for resistance to change:

1. I don’t get it
2. I don’t like it

3. I don't like you

At the same time, “change is an exciting, vital process and keeps organizations from becoming outdated” (Flanning, 2001, ¶ 1). Organizations are driven by two cycles of change (Flanning, 2001, ¶ 3):

- 1) The desire or philosophy to be the highest quality, best, first or leader in an industry
- 2) Painful circumstances such as high turnover, loss of revenue, loss of industry position.

Little happens if there is no real motivation to change. One of the most important elements to change is the desire to change. Iris Flanning (2001, ¶ 4) in her article, *The Top Ten Ways to Create Powerful Change in Your Organization*, indicated that:

“People in organizations predictably fall into a bell curve. You have 20-25% of people in your organization who are early adapters and change agents. They are visionaries, forward thinkers and influencers. Then about 50% of your organization's people will change with some training, good rationale and encouragement. Then you have about 20-25% who are the nay sayers, stuck in the mud, negative and unhappy people. They'll try to bring everyone down to their level.”

To create the desire to change, one must first create awareness of the need to change. Most people will not change their viewpoints, habits, or behaviors unless they are motivated to do so. As long as the rewards of staying the same remain greater than the rewards of changing, we will likely stay the same. Some strategies to develop awareness noted by Hathaway (2000, pg. 4) are:

1. Develop a proactive organization newsletter that discusses issues relevant to its future.
2. Initiate management dialogue sessions with other managers, supervisors, and employees.
3. Conduct training sessions that deal with the need to change.
4. Use case studies that demonstrate what happens when organizations don't respond to changes in their industry or environment: GM, Sears, IBM, Xerox (early 80's), and others.
5. Ask people (perhaps in a small group format) "What would happen if we don't change?"
6. Bring in examples of competitor's products and discuss the implications.
7. Put up a master bulletin board in a central area and invite employees to post articles on the industry, competitors, challenges, and so forth.
8. Encourage senior managers to "wander" frequently throughout the organization asking appropriate questions regarding the need to change.
9. Change reward systems to align with those behaviors the organization wants to expand.

“Once a new or changed plan has been delivered, it is up to the leaders to implement the decisions. If not managed correctly, the results could mean unhappy employees, profit loss, poor performance and poor levels of customer service” (*Effective Ways to Manage Change in Your Organization*, 2002).

Here are some ways noted by *Effective Ways to Manage Change in Your Organization* (2002, pg. 1-2) to help manage this process:

- Communicate the reason for change, the direction and goals
- Establish an atmosphere of open communication
- Introduce change gradually whenever possible
- Ask for accountability of to each for maintaining high morale
- Be in tune to difficulties some may be experiencing
- Encourage acceptance and focus on positive opportunities
- Ask for their input. Give feedback and take action
- Encourage teamwork
- Be a role model
- Encourage people to be solution focused, not problem-focused
- Take the time to train
- Alleviate job pressure by adding humor to the workplace

Other critical means for change and managing culture include (Baker, 2002; Wegner & Snyder, 2000, pg. 9):

1. Strategic Planning

2. Ensuring consistency of culture with mission, goals, strategies, and processes, while maintaining some continuity with the past
3. Creating formal statements of organization, philosophies and values
4. Establishing consistent incentives and recognition system and performance measures
5. Maintaining appropriate error-detection and accountability systems
6. Coaching, mentoring, informal and formal training, and identifying role models
7. Embracing appropriate risks, rituals, symbols, and narratives
8. Taking advantage of the growth of subcultures
9. Managing and promoting strong communities of practice

The following are keys to remove barriers that will hinder the internal and external organizational adjustments for future success. These basics noted by Schein (1992) must be reinforced by values, behavioral norms, accompanied by a mission, goals, and strategies.

Strategies for effecting cultural change include:

- The organization must be proactive, not just reactive.
- The organization must influence and manage the environment, not just adapt.
- The organization must be pragmatic, not idealistic.
- The organization must be future-oriented, not predominantly present/past oriented.
- The organization must embrace diversity, not uniformity.
- The organization must be relationship-oriented, not just task-oriented.
- The organization must embrace external connectivity, as well as promote internal integration

In doing these things to improve the cultural change process, “people remain aligned through change and are actively supported in achieving continuous improved performance and superior business results. Whether facing a new CEO, new product line, reorganization, or merger, people will be able to respond both strategically and tactically. People value the opportunity to collaborate because they have learned that working together enables them to accelerate and share success” (Juechter et al., 1998, pg. 6).

Summary of Literature Review

In summary, the following are key findings in the literature review:

1. Culture is an important success factor for the over-all performance of an organization.
2. A basic definition of culture is “how things get done around here”.
3. Culture influences the behavior of all individuals within an organization, including how decisions are made, who makes them, how rewards are given, who is promoted, how people are treated, and how the organization responds to its environment.
4. To change the culture of an organization, people need to be aware of what drives the thinking, feeling, and behavior of the organization.
5. Climate surveys measure how individuals feel about the company.
6. Culture provides stability and predictability as it gives direction for behavior, ideas, and how to respond in situations.
7. Organization leaders must not only manage operations and finances, but also the culture.
8. An effective culture is one of the most valuable intangible assets a company can own.

9. Organizations must find out who they are before working to improve who they want to be.
10. Lasting companies are able to manage both continuity and change.
11. One of the most important competitive advantages is an organizations people and how they are managed.
12. Organizational culture can be either an asset or a liability.
13. An organizations culture and people must be prepared and aligned to support changes in order to improve performance.
14. Changing culture is changing the mindsets of people and coming to new ways of thinking.
15. Two thirds of change efforts fail due to inappropriate culture to support the change.
16. Successful companies have distinctive cultures and are one of the most difficult things for competitors to copy.
17. Organizations where people do not trust each other, doubt other's motives, and pursue independent agendas will not be effective.
18. Four ways to develop trust include; participation, helping, listening, and leadership.
19. Most people instinctively resist change.
20. To create desire to change, one must first create awareness of the need to change.

The following chapter will describe the methodology of procedures used in order to assess the culture at XYZ Manufacturing Company including the (1) study population, (2) design and structure of the instrument, (3) data collection methods, (4) survey response rate, and (5)

methods of data analysis. The results of the culture assessment can then be used to incorporate some the information gathered in the literature review.

CHAPTER THREE

METHODOLOGY

In order to assess the organization's culture, data needed to be gathered from the employees that work for the organization. The data was primarily gathered utilizing a written survey designed by the researcher. The survey assessed the organizational strengths and weaknesses, provided an aid for decision making at strategic planning, and established a benchmark to evaluate change in the organization over time.

This chapter describes the methodology of procedures used in order to assess the culture at XYZ Manufacturing Company including the (1) study population, (2) design and structure of the instrument, (3) data collection methods, (4) survey response rate, and (5) methods of data analysis.

Study Population

The survey sample included all employees within the company, excluding the researcher and the CEO of the organization. The population is made up of staff including administration, quality assurance, sales & marketing, engineering, production, and management. The sample population contained 40 employees of the organization.

Instrument Design and Structure

The survey was designed based on information found in the review of literature and is focused on the needs of XYZ Manufacturing Company. To meet the needs of XYZ Manufacturing Company, the survey was developed through a series of sessions between the researcher and president of the company. These sessions served as a critical element in identifying what information the company felt they needed to assess to better develop the culture within the organization.

Due to the fact that a survey had never been given to the employees of the organization, it does contain a section of climate focused questions in order to get a better indication of employee satisfaction. These questions are focused on the feelings of the employees regarding rewards and compensation, morale, and supervisor relations, rather than the basic underlying assumptions and behaviors of the employees.

In addition to having questions that were focused on the climate of the employees, the survey results also needed to be represented in a manner that the CEO, president, and managers of the organization (executive team) could take the data and easily determine where to focus future culture improvement efforts. In order to accomplish this, the organization of the questions in the survey was critical. To organize the survey questions, four main categories were chosen. Each category represented a key area that has an effect on the organizational culture. In addition, the categories were based on cultural traits that have been researched as having a significant impact on organizational performance.

The identified categories include Involvement, Business Principles, Working Relationships, and Employee Satisfaction. Within each of these categories, three sub-categories were chosen within them to break the categories into smaller areas. This enabled the executive team to identify smaller areas to target organizational improvement efforts within the categories identified. Definitions of the categories and sub-categories can be found in appendix D.

The Involvement category was divided into (1) Empowerment, (2) Competencies & Capability Development, and (3) Change. Business Principles was separated into (1) Strategic Direction, (2) Values, and (3) Vision & Mission. Working Relationships was divided into (1) Customer Focus, (2) General Communication, and (3) Teamwork. The last category, which is focused more on the climate of the organization, Employee Satisfaction, was divided into three sub-categories that included (1) Rewards & compensation, (2) Morale, and (3) Supervisor Relations. Each of the identified sub-categories had five associated questions built-in to the survey, making up 15 questions per category, totaling 60 questions for the main portion of the assessment.

By categorizing the questions, it enabled the results to be displayed into a circular model for ease of identifying and analyzing the areas of strength and concern. The graphical model and concept to segment questions into categories and represent them in a circular format is based on the Denison model developed by Daniel R. Denison and William S. Neale (2003). Permission to use a similar design of the Denison model was given by Jay Janovics of Denison Consulting Inc (personal communication, August 7, 2003). The questions, categories and content used in this

assessment utilizing this model were based on the needs of XYZ Manufacturing Company and the information found in the review of literature.

The final instrument consisted of 60 central questions utilizing the model explained above. In addition, the survey also included two demographic questions and two ranking questions, along with an area for qualitative comments and suggestions. The entire survey consisted of 65 questions.

The demographic questions were used in order to analyze if the organizations culture differed among different departments or by years of service within the organization. The last two questions on the survey were ranking questions. The ranking questions were used to determine what type of compensation was most important to employees and also asked employees to rank what satisfied them the most.

The central survey questions were developed using a likert scale, for ease in statistical analysis and answering of questions. The scales used a 1-6 rating with “1” representing strongly disagree and “6” representing strongly agree. The scale used contained 6 choices, an even number, to try to eliminate someone from picking the middle of the road. The survey also incorporated a choice of “n/a” which represented not applicable. See appendix A for a sample of the instrument used.

Data Collection Methods

A formal letter was mailed to the employees homes as notification of the culture assessment. The letter informed employees of the importance of the survey and that their anonymity would be guaranteed. It also gave some information on the topics to be covered in the survey and noted that the survey would be handed out to employees at work to fill out in the near future. See appendix C for a sample of the letter sent to the employees.

Following the letter, the survey was handed out by the researcher to the employees at work. Participants were given one week to return the survey and were able to fill them out during work hours. Surveys were to be returned to a central drop box located in the organizations break room.

Response Rate

The data collection process yielded 31 of 40 responses, or 77.5% of the population. The response rate can be broken down by department category by analyzing one of the demographic questions. Response rates by department category included Operations 35.5%, Administration 25.8%, Management 19.4%, and Unknown/Unanswered 19.4%. Responses are graphed and explained further in Chapter 4, including the employee comments and suggestions.

Data Analysis

Each question in the survey instrument is separated into a category that has belongs to an associated sub-categories. The categories include Involvement, Business Principles, Employee Satisfaction, and Working Relationships. A circular graphic including the categories and sub-categories can be viewed in page 4 of appendix B.

CHAPTER FOUR

RESULTS

This chapter reports on the results from the culture assessment survey at XYZ Company. The survey was distributed to 40 employees with a 77.5% response rate. The purpose of this study was to develop and implement a survey to assess the organizational strengths and weaknesses, provide an aid for decision making at strategic planning, and establish measures for benchmarking and evaluating change in the organization over time.

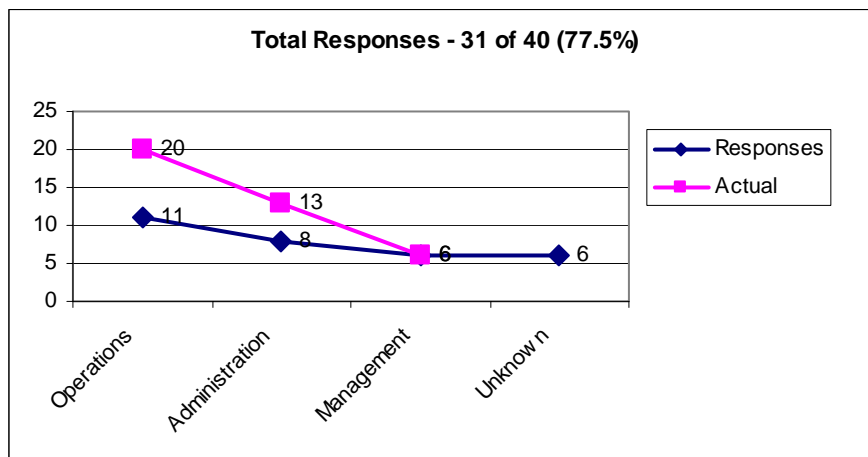
The data gathered from the culture assessment was used to meet the objectives of this study. The objectives of this study were to (1) evaluate the current organizational climate at XYZ Manufacturing Company and (2) assess if a change in culture is needed.

The respondents provided information that assisted in meeting the objectives for the study. In the survey, questions 1-2 were used to obtain demographic information, questions 3-17 focused on employee involvement, specifically empowerment, capability and competencies development, and change. Questions 18-32 focused on business principles, specifically strategic direction, values, and vision and mission. Questions 33-47 focused on employee satisfaction, specifically on rewards and compensation, morale, and supervisor relations. Questions 48-62 focused on working relationships, specifically relating to customer focus, communication, and teamwork. The last three questions (63-65) include two ranking questions and an open area, where respondents could add comments and suggestions.

The following graphs display the answers in which the respondents provided on the survey. A circular model for ease in analysis of all data can be found on page 4 of appendix B. In addition, the results were given to the executive team to use at strategic planning. The booklet that they were provided to the executive team is available in appendix B, pages 1-10.

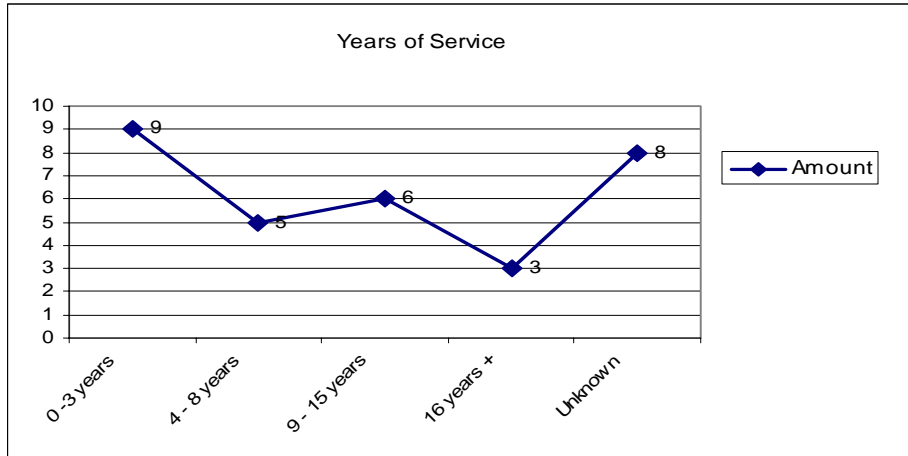
Question 1: Demographic Information

This question focused on the demographics of the employees that took the survey. The results show that many employees chose not to answer the question (reported as unknown below). The results indicate that 52% of the operations staff responded to the survey. 62% of the administration staff responded, and 100% of the reported results indicate that they were part of the management team.



Question 2: Demographic Information

This question also focused on the demographics of the employees that responded to the survey. Due to the low amount of employees responding to the question, it will not be used in the analysis of the study.



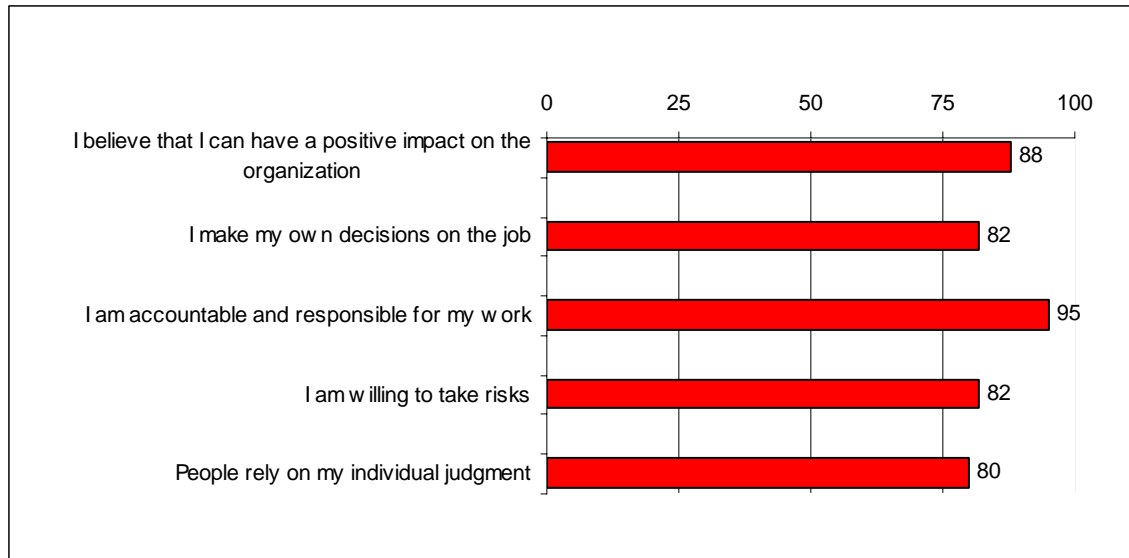
Questions 3-17: Involvement

The following questions were divided into three sub-categories; empowerment, competency and capability development, and change. The involvement category is focused on building human capability, ownership and responsibility.

Empowerment:

The following questions were used to determine the behavior of employees regarding authority, initiative and ability to manage their own work. Empowerment creates a sense of ownership and responsibility towards the organization.

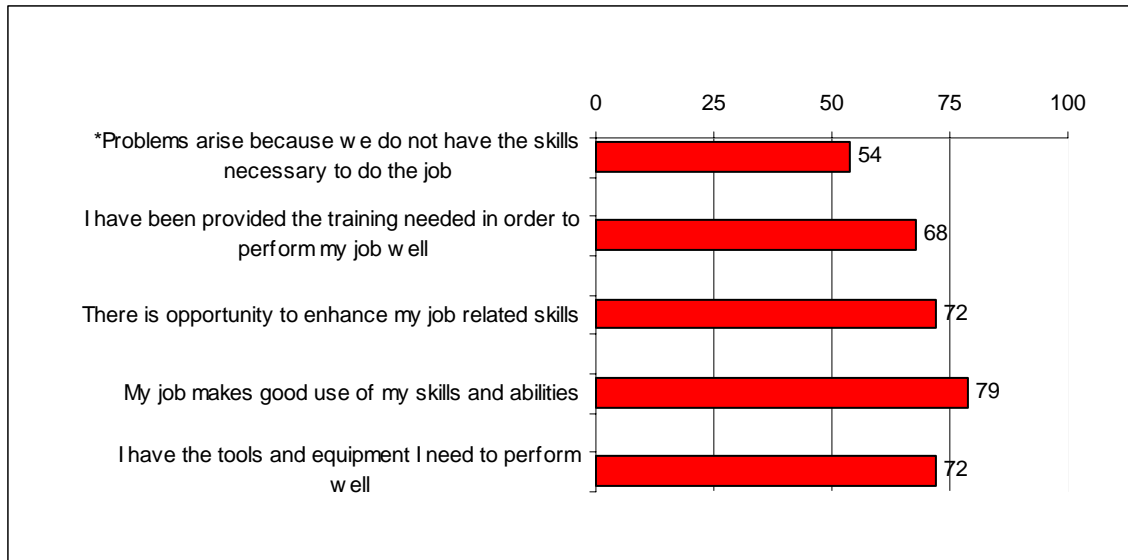
The results show that 88% of the employee respondents felt that they have a positive impact on the organization, 82% make their own decisions on the job, 95% are accountable and responsible for their work, 85% are willing to take risks, and 80% feel that others rely on them for judgment.



Competency & Capability Development:

The following questions were used to determine the behavior of employees towards development of skills. Competency and Capability Development relates to the employee skills, training needs, and tools to do their job.

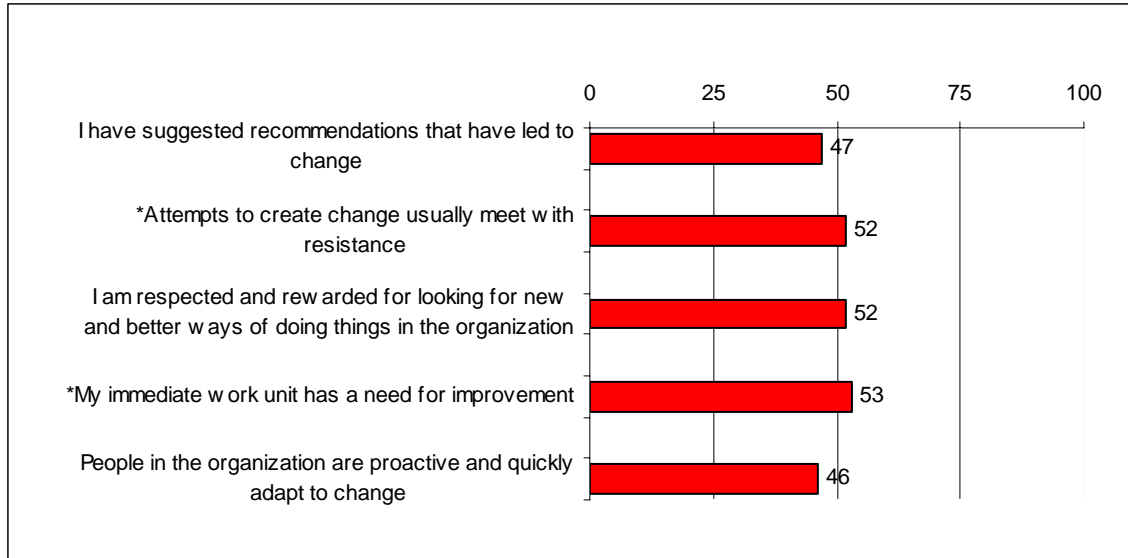
The results show that 54% of the employee respondents felt that problems arise because employees do not have the necessary skills to do the job, 68% feel that they have been provided with the training needed perform their job, 72% said that there was opportunity to enhance skills, 79% feel that their job makes good use of their skills and abilities, and 72% have the tools and equipment they need to perform well.



Change:

The following questions were used to determine the behavior of employees regarding how employees respond and accept change within the organization. The section on change concerns adaptive ways to meet challenging needs and abilities to read the business environment to react quickly to current trends, and anticipate future needs.

The results show that 47% of the employee respondents have suggested recommendations that have led to change, 52% felt that there is resistance when attempts to create change, 52% feel respected and rewarded when they look for new and better ways of doing things, 53% feel that there is room for improvement in their work unit, and 46% of people are proactive and quickly adapt to change.



Questions 18-32: Business Principles

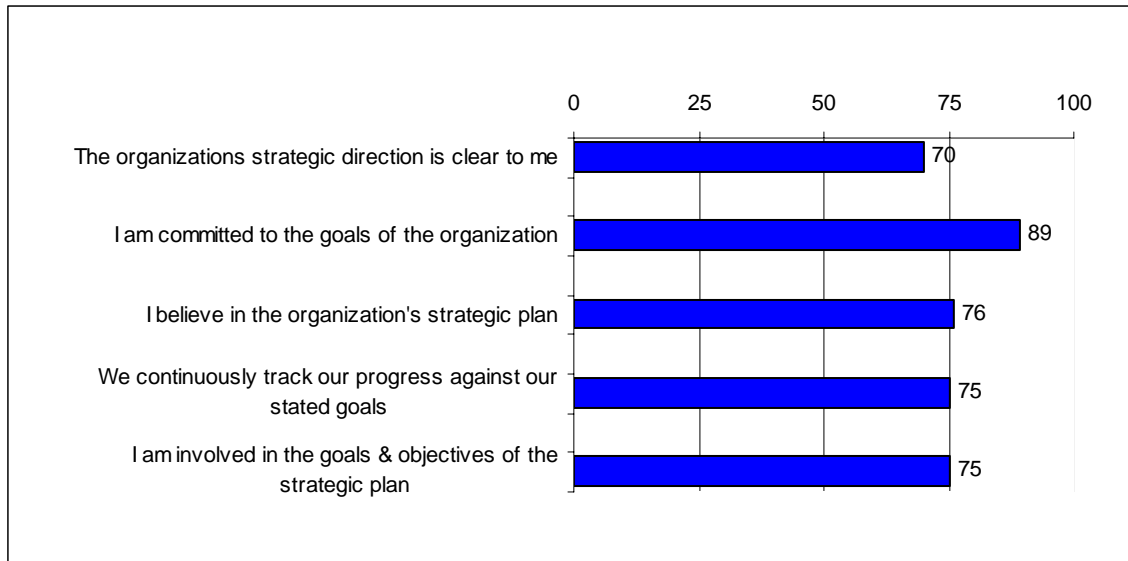
The following questions were divided into three categories; strategic direction, values, and vision and mission. The Business Principles category concentrates on defining a meaningful, long term direction for the organization.

Strategic Direction:

The following questions were used to determine if the employees understood and believed in the strategic intentions of the organization and if employees recognized how they could contribute to the plan conveyed.

The results show that 70% of the employee respondents felt that the organizations direction was clear to them, 89% of the respondents are committed to the goals of the organization, 76% believe in the strategic plan, 75% feel that progress is continuously tracked

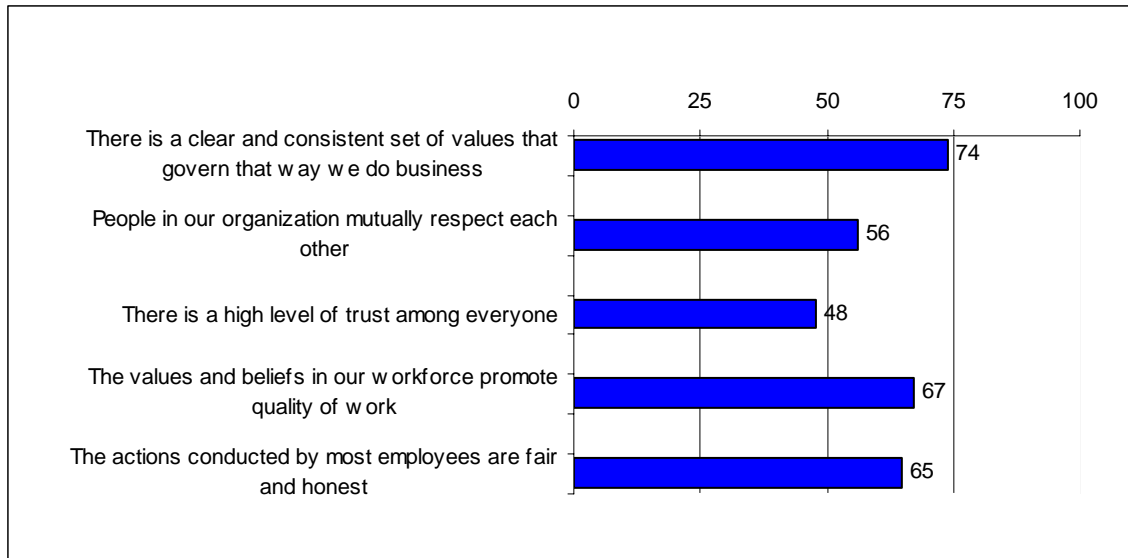
related to the strategic plan, and 75% are involved in the goals and objectives of the strategic plan.



Values:

The following questions were used to determine if members of the organization share a set of values which create a sense of identity and a clear set of expectations. The survey included questions regarding the core values that capture the hearts and minds of the organization's people, while providing guidance and direction. The stated values of XYZ Manufacturing Company are trust, respect, integrity, courage, and ownership.

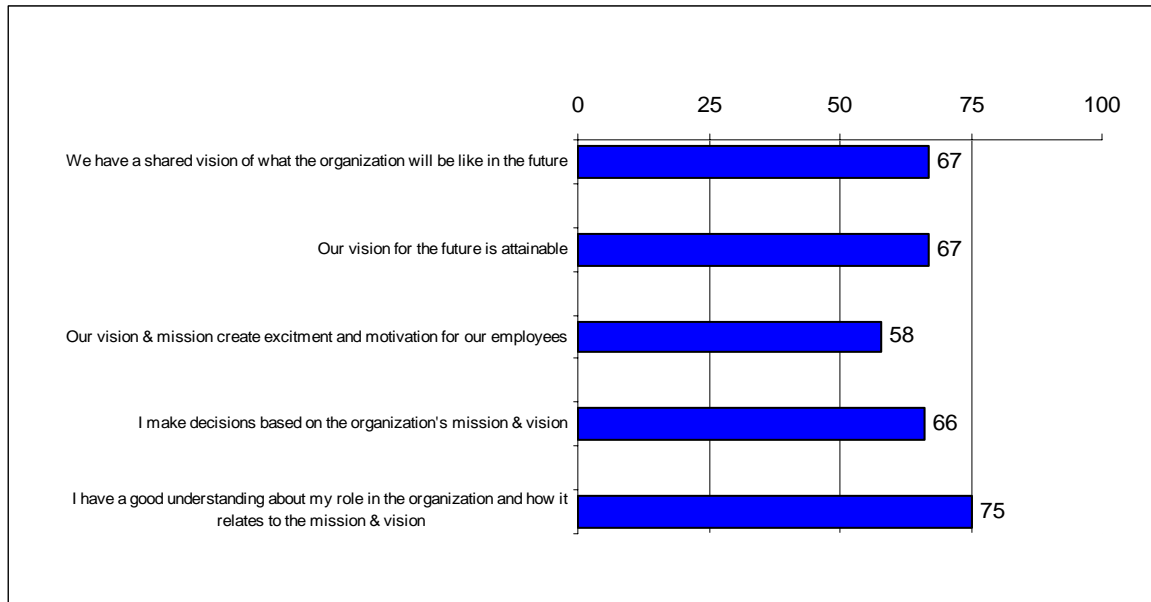
The results show that 74% of the employee respondents felt that there is a consistent set of values that govern the way business is done, 56% of the respondents felt that people respect each other, 48% believed that there was a high level of trust among employees, 67% felt that the values and beliefs promoted quality work, and 65% felt that actions conducted by most employees were fair and honest.



Mission & Vision:

The following questions were used to determine if the organization has a shared view of the stated purpose (mission) and desired future state (vision) of the organization. The responses to the questions also indicate if employees feel the vision and mission are attainable.

The results show that 67% of the employee respondents felt that the has a shared vision of what the organization will be like in the future, 67% of the respondents felt that the vision is attainable, 58% felt that the vision and mission created excitement and motivated employees, 66% of the respondents make decisions based on the mission and vision, and 75% have a good understanding of their role in the organization and how it relates to the mission and vision.



Questions 33-47: Employee Satisfaction

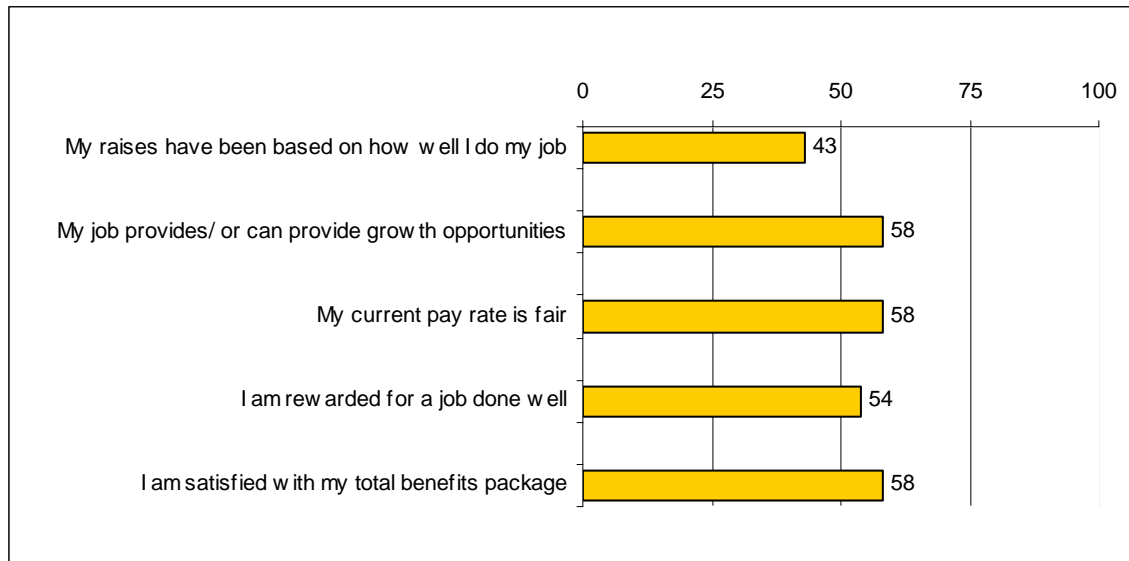
The following questions were divided into three categories; rewards and compensation, morale, and supervisor relations. The Employee Satisfaction category concentrates on building an environment that is focused on employee needs.

Rewards & Compensation:

The following questions were used to determine if the employees of the organization feel they are compensated and rewarded acceptably. The questions indicate the perceptions and feelings of the employee respondents towards growth opportunities, pay rates, and benefits package satisfaction.

The results show that 43% feel their raises have been based on how well they do their job, 58% feel that their job can provide growth opportunities, 58% felt that their pay rate was fair,

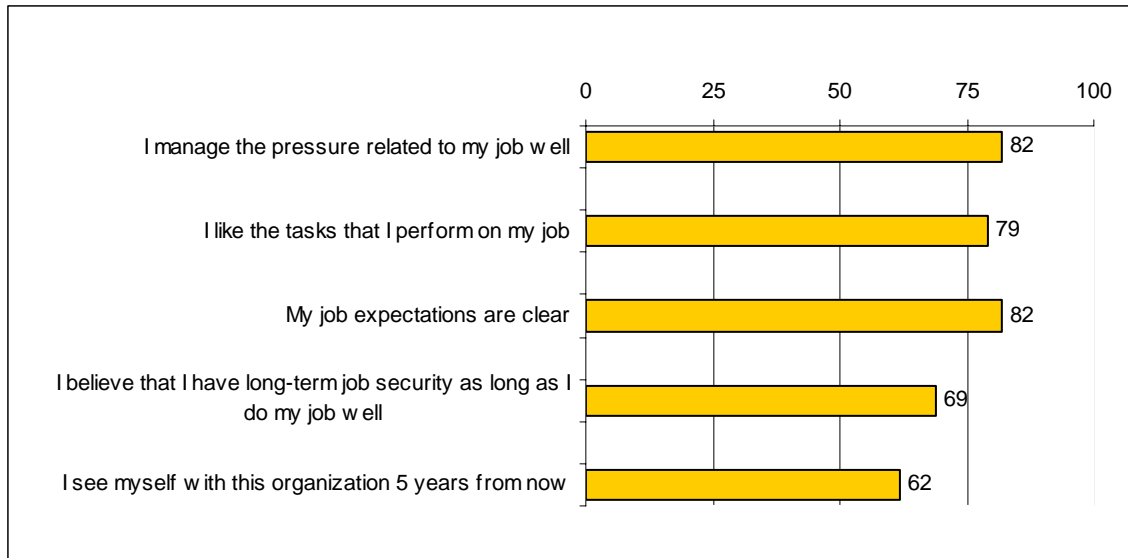
54% feel that they are rewarded for a job well done and 58% of employees were satisfied with their total benefits package.



Morale:

The following questions were used to determine how an employee feels about themselves on the job. Morale focuses on how the employee likes or dislikes on-the-job tasks, job security, stress management, and job expectations.

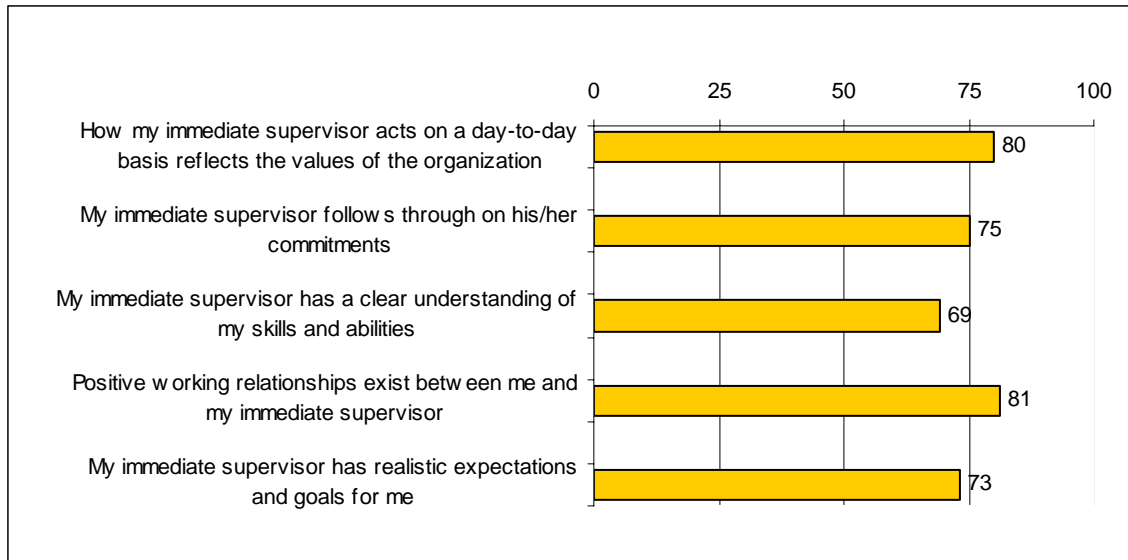
The results show that 82% feel they can manage the pressure related to their job, 79% like the tasks they perform on the job, 82% felt that their job expectations were clear, 69% feel that their jobs are secure and 62% see themselves with the organization in 5 years.



Supervisor Relations:

The following questions were used to determine what employees thought about their relationship with their immediate supervisor. The section on supervisor relations focuses on commitments, abilities, and expectations.

The results show that 80% feel their supervisor reflects the values of the organization, 75% feel that their supervisor follows through on his/her commitments, 69% of employee respondents felt that their supervisor had a clear understanding of their skills and abilities, 81% have positive relationships with their supervisors and 73% thought supervisors had realistic expectations and goals for them.



Questions 48-62: Working Relationships

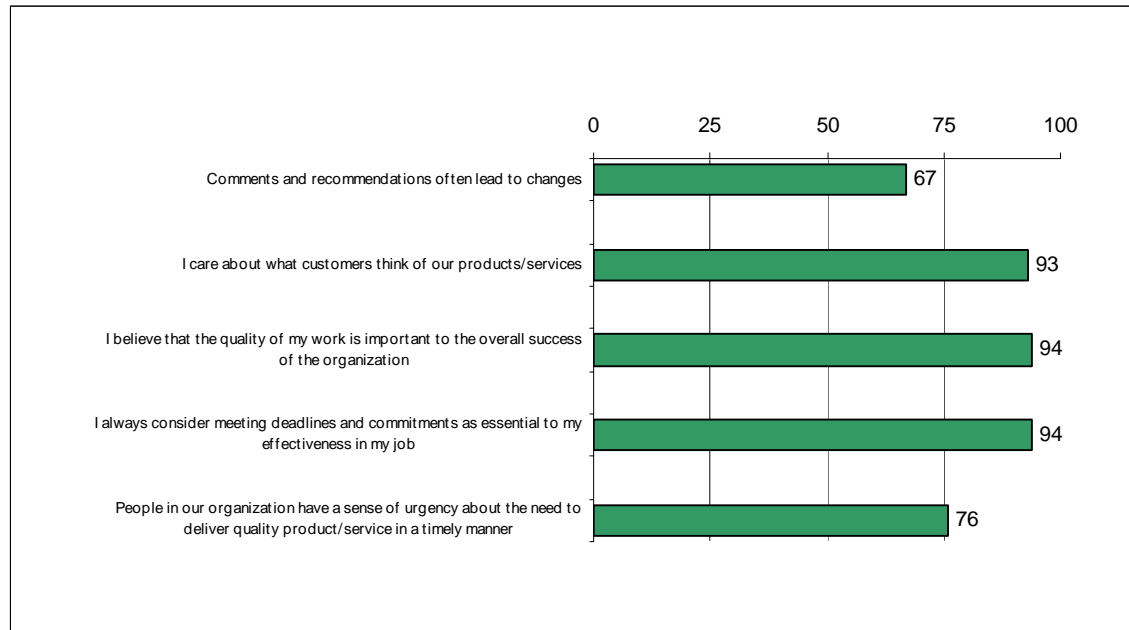
The following questions were divided into three categories; customer focus, communication, and teamwork. The Working Relationship category concentrates on defining the values and systems that are a basis for a strong culture.

Customer Focus:

The following questions were used to determine if the employees of the organization feel that they are meeting the needs and expectations of the persons for whom they are performing their work. Customer Focus concentrates on the understanding and reacting to customers, both internal and external. The questions asked will reflect the degree to which the organization is driven by a concern to satisfy their customer.

The results show that 67% feel that customer comments and suggestions often lead to changes, 93% care about what customers think of the organizations products/services, 94% believe that the quality of work is important to the overall success of the company, 94% of

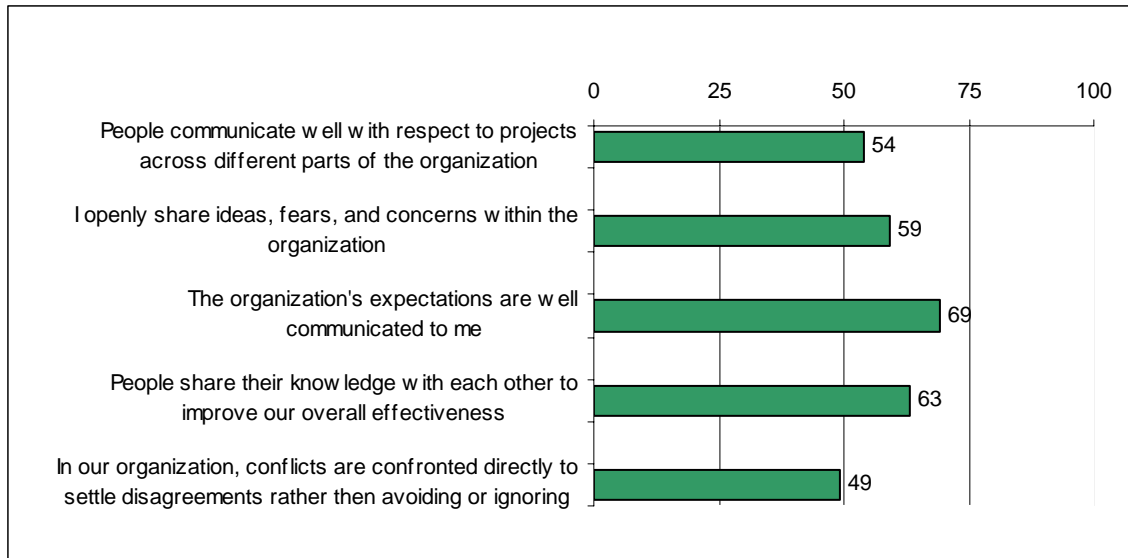
employee respondents consider deadlines and commitments essential to the effectiveness to their jobs and 76% of people in the organization have a sense of urgency about the need to deliver quality products and services in a timely manner.



Communication:

The following questions were used to determine if the employees of the organization are able to work together well to achieve common goals. The following questions will assess if organizational boundaries interfere with getting work done.

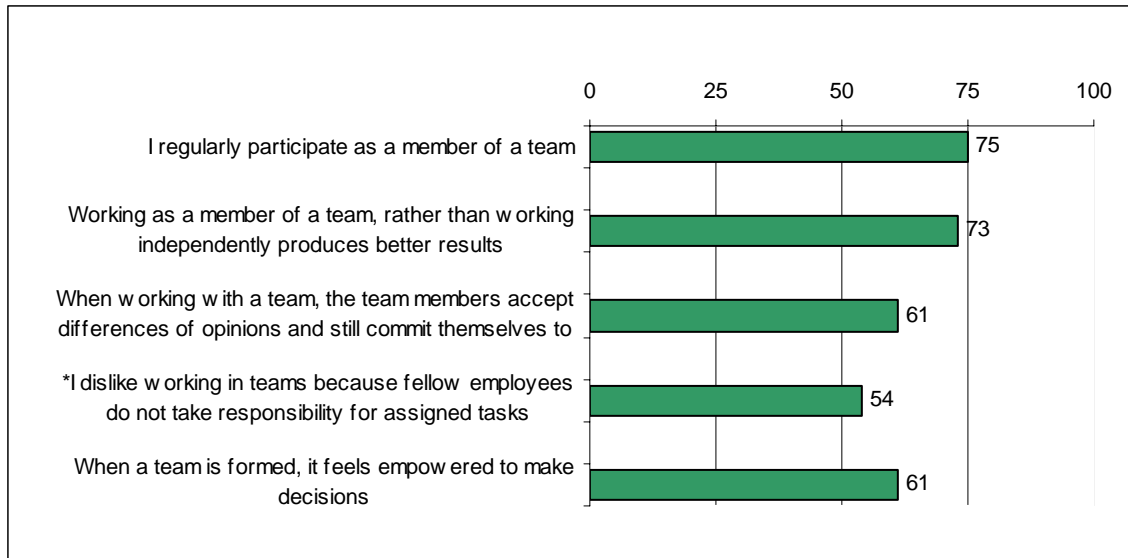
The results show that 54% indicated that employees communicate well with respect to projects across different parts of the organization, 59% of employee respondents share ideas, fears, and concerns within the organization, 69% believe that organization expectations are communicated well, 63% of employee respondents feel that information and knowledge is shared to improve effectiveness and 49% said that conflicts are confronted directly rather than avoiding or ignoring them.



Teamwork:

The following questions were used to determine how well employees work together as a team. The following questions will assess employee respondent's ability to foster a teamwork environment.

The results indicate that 75% of respondents participate regularly as a member of a team, 73% believe that working as a team produces better results than working alone, 61% of employee respondents can accept differences of opinion and commit to work together when working as a team, 54% dislike working as a team because fellow employees do not take responsibility for assigned tasks, and 61% feel empowered to make decisions within a team.



Questions 63-64: Ranking

The following questions aided the executive team to decipher what motivates employees and what type of compensation was most important to them. Although they were not questions relating to the culture wheel, they were important to XYZ Manufacturing's assessment.

Question 63:

I am most satisfied when:	
Average Ranking	
#1	Rewarded \$
#2	Meet personal goals
#3	Exceed customer expectations
#4	Company goals met
#5	Team/Dept recognized
#6	Publicly recognized
#7	Other
Other answers consisted of: Sick days, Personal days	

Question 64:

Which type of compensation is most important to you?			
Average Ranking	Type	Average Ranking	Type
#1	Base Salary	#8	Life insurance
#2	Health Insurance	#9	Program to help balance home & work (child care, flextime, etc)
#3	Opportunity to receive a bonus (\$)	#10	Long term disability
#4	Vacation	#11	Company Functions (parties, picnics, etc)
#5	401 K Plan	#12	Other
#6	Holidays	#13	Tuition Reimbursement
#7	Dental Insurance		
Other answers consisted of: Short Term Disability, Growing Profits, & Training			

Question 65: Comments & Suggestions

At the end of the survey, employees had the option to add any comments and suggestions. The following chart displays the information received from the survey.

Additional Comments/Suggestions
<ul style="list-style-type: none"> “Unfortunately right now the company is ruled by a culture of fear and mistrust that eliminates from top management. This in turn deviates organization energy. As many team members spend copious amounts of time covering their backsides and glad handling, boot licking, and kissing butt of those they feel wield power (lack of respect)”
<ul style="list-style-type: none"> “I feel supervisors must be able to demonstrate [Company Name] values and be decent and fair to work for because my view of [Company Name] is directly related to how I’m treated by my supervisor”
<ul style="list-style-type: none"> “Non-trusting work environment”
<ul style="list-style-type: none"> “Sick days/ personal days needed”
<ul style="list-style-type: none"> “Most thesis’s require that’s something be proved. It was not made clear what was being proved in this survey. A survey by itself cannot prove anything. It would have been helpful and potentially legitimized the survey if a clear articulation of the thesis was presented.”
<ul style="list-style-type: none"> “People in this organization are stretched far beyond the limits right now. They do not have enough time to get the things done that they need to do. Some people come to work on time and leave on time while others are working far more hours in the day. It is not fair that just because management knows some people will put extra effort in that they rely only on them and not on the people who do not do anything around here.”
<ul style="list-style-type: none"> “No one trusts anyone around here.”
<ul style="list-style-type: none"> “Employees are not valued. People here do not how to say “thank you” for a job well done.”
<ul style="list-style-type: none"> “Not enough resources”

Summary of Findings

In summary, the following areas of concern should be noted:

Lowest sub-category scores

- The three sub-categories that scored lowest were change, communication, and rewards and compensation (all scoring below 60%)
 - Change
 - Overall, 50% of the employee respondents indicated that they are not rewarded/respected for finding new and better ways of doing things, are not able to quickly adapt, feel that change is met with resistance in the organization, and are not proactive.
 - General Communication:
 - Overall, 59% of the employee respondents indicated that the organization does not communicate cross functionally across the organization, will not openly share fears, ideas, concerns or knowledge, and avoids confrontation when it comes to conflicts.
 - Rewards & Compensation:
 - Overall, 54% of the employee respondents indicated that raises are not based on job performance, feel that their pay rates are somewhat unfair, find little growth opportunities, are not rewarded for a job well done, and feel that the total benefits package could use some improvement.

Low levels of trust & respect

- A common theme throughout the survey results was lack of trust. Three of the nine comments noted the lack of trust and the question on the survey that related to trust (“There is a high level of trust among everyone”) scored 48%
- Some of these trust issues may be the reason for several of the respondents omitting the demographic questions on the survey. Employees may have been fearful of retaliation.
- The question “People in our organization respect each other” scored 56%

Low levels of competency and capability development

- This sub-category had an average score of 69%, but there were some important areas of concern that include:
 - 46% of the employee staff indicated that problems arise because people do not have the skills necessary to their jobs
 - 32% have not been provided training to perform their jobs well
 - 28% feel that they have not had the opportunity to enhance job related skills
 - 28% do not have the tools and equipment needed to perform well

The following chapter will illustrate the summary, conclusion, and recommendations for XYZ Manufacturing Company. The chapter will utilize the survey results to focus on the areas that have a need for improvement in order to build a strong, healthy culture at XYZ Manufacturing Company.

CHAPTER FIVE

DISCUSSION

Introduction

The purpose of this study was to examine key elements within the current culture of XYZ Manufacturing Company utilizing a culture assessment survey. The survey results aided in decision making at strategic planning allowing them to look at the strengths and weaknesses of the organization and established measures for benchmarking and evaluating change in the organization over time.

Summary of Study Procedures

Forty employees from XYZ Manufacturing Company were asked to participate in this research project. All employees were invited to participate (excluding the researcher and the CEO of the organization) including administration, quality assurance, sales & marketing, engineering, production, and management staff.

Instrumentation

The final instrument included 60 central questions, two demographic questions, two ranking questions, and an area for qualitative comments and suggestions. The entire survey consisted of 65 questions. The central survey questions used a Likert scale with response choices of “1”, “2”, “3”, “4”, “5”, “6” and “n/a” with “1” representing strongly disagree and “6” representing strongly agree. See appendix A for a sample of the instrument used.

The survey was broken up into four identified categories that include (1) Involvement, (2) Business Principles, (3) Working Relationships, and (4) Employee Satisfaction. Within each of these categories, three sub-categories were chosen within them to break the categories into smaller areas. This enabled the executive team to identify smaller areas to target organizational improvement efforts within the categories identified. Definitions of the categories and sub-categories can be found in appendix D.

Data Collection

A formal letter was mailed to the employees homes as notification of the culture assessment. The letter informed employees of the importance of the survey and that their anonymity would be guaranteed. It also gave some information on the topics to be covered in the survey and noted that the survey would be handed out to employees at work to fill out in the near future. See appendix C for a sample of the letter sent to the employees. Following the letter, the survey was handed out by the researcher to the employees at work. Participants were given one week to return the survey and were able to fill them out during work hours. Surveys were to be returned to a central drop box located in the organizations break room.

Survey Response Rate

The data collection process yielded 31 of 40 responses, or 77.5% of the population. The response rate can be broken down by department category by analyzing one of the demographic questions. Response rates by department category included Operations 35.5%, Administration 25.8%, Management 19.4%, and Unknown/Unanswered 19.4%. Responses are graphed and explained further in Chapter 4, including the employee comments and suggestions.

Summary of Results

The sub - categories of the survey (from lowest to highest) results were:

- (1) Change (50%)
- (2) Rewards & Compensation (54%)
- (3) General Communication (59%)
- (4) Values (62%)
- (5) Teamwork (65%)
- (6) Vision & Mission (66%)
- (7) Competency & Capability Development (69%)
- (8) Morale (75%)
- (9) Supervisor Relations (75%)
- (10) Strategic Direction (77%)
- (11) Empowerment (85%)
- (12) Customer Focus (85%)

A graphical representation of the results can be found in chapter four or in appendix B. In addition, chapter four noted some areas of concern that include:

- The three sub-categories that scored lowest were change, communication, and rewards and compensation (all below 60%)
- Low levels of trust & respect
- Low levels of competency and capability development

Conclusion and Implications

Due to the company's long time existence, it was the hypothesis that it would have an embedded culture that had a need for improvement. The research found that the hypothesis was correct in that the culture of XYZ Manufacturing Company is in need of some improvement, specifically in the areas of change, communication, and rewards and compensation.

Although there were several areas of concern formulated from the survey, XYZ Manufacturing Company has limited resources (as many companies do) and will focus to improve its culture one step at a time, starting with targeting the lowest scoring areas with improvement efforts. In addition, prior to the culture assessment, the executive team identified what they believe to be the current and desired state of the organization (noted in chapter one). The executive team's vision for the future of the company's culture included the following characteristics: (1) proactive, (2) creative, (3) challenges the norm, (4) embrace change, (5) goal driven, and (6) a can-do attitude. The following recommendations will be catered towards the

executive team's culture vision, the low scoring areas of the assessment, and will utilize the literature review.

Recommendations

The review of literature said that "If organization leaders manage their operations, they must manage their cultures as well" (Clemente, 2003). In addition, Marc & Farbrother (2003) noted that "Culture can either be an asset or a liability to an organization". In order to work towards improving the culture at XYZ Manufacturing Company and ensure that it is indeed an asset, the following recommendations are proposed.

Quarterly Company Meetings:

The survey results indicated that XYZ Manufacturing Company has a need for improvement in both the areas of change and communication. In reference to change, the review of literature stated that changing culture is shaping beliefs, assumptions, values, patterns of behavior, changing mindsets, and coming to new ways of thinking. It also noted that most people instinctively resist change, as it can introduce feelings of dread and fear, often leading to resistance.

In order to increase change effectiveness, the review of literature pointed out that one must create a desire to change through awareness of the need for change. In addition, one of the strategies noted was to initiate management dialogue sessions with other managers, supervisors and employees to create this awareness.

With this being understood, it is recommended that XYZ Manufacturing Company hold quarterly company meetings with employees to create dialog within the organization. This will allow the company to establish an understanding of the need for change and allow employees to engage in conversations about ideas, fears and concerns through cross functional communication. These meetings should be led by the CEO and President and include less than 8 employees, from different areas of the organization, to allow employees to converse openly in small groups..

In regard to trust, the review of literature stated that trust is interpreted through a leader's actions and the words that they speak. In addition, it confirmed that organizations where people do not trust each other, doubt other's motives, and pursue independent agendas will not be effective. Fairholm (1994) indicated that four ways to develop trust included (1) participation, (2) helping, (3) listening, and (4) leadership.

Quarterly meetings will help to improve levels of trust within the organization by opening up the table to questions and concerns that employees have. The meetings will utilize all four aspects of developing trust - participation, helping, listening, and leadership. The CEO and President should have a planned agenda to include discussions and presentations on the following:

- Present and discuss information on finances and strategic planning progress
- Present case studies/stories of companies that are responsive or are not responsive to change and the results

- Discuss new threats to the company (Ex. competitive products)
- Announce good news
- Announce and discuss current and/or future changes within the organization

In addition to the quarterly meetings, monthly meetings should be held within each department to keep the communication and trust levels high. These meetings are to be held regularly to serve as facilitation of communication to:

- Plan for meeting department goals
- Communicate changes, frustrations, and ideas
- Solve problems

Create awareness of the Vision & Mission:

Utilizing the literature review on strategies to develop and manage change, it is suggested that awareness of the vision and mission are important to the overall success of the organization. In order to create awareness of the vision and mission, it is advised that the company display banners and signs throughout the organization. Furthermore, it is the recommendation that XYZ Manufacturing Company streamline all written communications, specifically external documents (ex. fax, letterhead, memos, email). Including these statements in a similar format will enable the company to create identity and consciousness of the purpose and direction of the company for the future.

Although, all of these efforts will create awareness of the vision and mission, managers must also be willing and able to communicate the statements in his or her own way, describing how specifically it works within their own organization to employees. Discussion with each of

the employees is necessary to ensure that they fully understand the vision and how it affects their own performance and the decisions that they make.

Strategic Plan:

In order to have a successful strategic plan, the first thing XYZ Manufacturing Company needs to do is make sure that every member of the organization has a copy of the strategic plan and individual goals that tie into it. Allowing each member of the organization to review the strategic plan will create context, appreciation, and create a sense of involvement. Tying the employee goals into the strategic plan will show them that they have a purpose and meaning to the organization and its success. Each employee should have SMART goals (specific, measurable, acceptable, realistic, and have a set timeframe) that are directly related to the strategic plan and have a financial incentive tied to completion of them. In order to have a successful outcome, the goals should be set high, yet attainable and the financial incentive should be substantial to enhance motivation of achievement.

Form an Employee Acknowledgement Committee:

The survey results indicated that almost half of the staff (46%) believe that they are not rewarded for a job well done. In addition, the review of literature noted that some of the most effective ways to manage change in the workplace was to alleviate job pressure by adding humor to the workplace, establishing consistent recognition systems, holding employees accountable for maintaining high morale, and to increase communication and encourage teamwork.

In order to improve the culture and accomplish this, it is the recommendation that XYZ Manufacturing Company form a cross functional acknowledgement committee to be responsible for (1) promoting and celebrating the companies successes, (2) announcing updates and changes (new products, promotions, meetings, etc) through a means of their choice, (3) employee recognition (birthdays, congratulations, good deeds, rewards for proactive efforts, raffles, etc), (4) planning of gatherings (holiday party, picnic), and (5) a new employee mentor program. It is also recommended that it be required that employees interview and/or apply for the committee with the CEO and President of the organization, as it should be a quarterly paid out position for additional time and work put in.

Survey employees on equipment, tools, and training needs

As noted in the survey results, 28% of the employees feel that they do not have the tools and equipment needed to perform well, 46% of the employee staff indicated that problems arise because people do not have the skills necessary to their jobs, 32% have not been provided training to perform their jobs well, and 28% feel that they have not had the opportunity to enhance job related skills. In order to improve these percentages, it is the recommendation that XYZ Manufacturing Company survey employees on their needs in these areas.

The survey must be done cautiously to ensure that it does not increase expectations that every request will be met. It should ask employees what they feel they need and what the return on investment would bring. This will empower employees to take ownership of finding the means to be competent and capable in their jobs. Additionally, this effort will allow the

company to find out what the employees feel they need in order to be competent not only today, but also in the future.

The executive team noted that its current culture can be described as “A nice comfortable place to work, where people strive to maintain the status quo to fit in and protect job security”. This is a step in the right direction to changing its existing culture. Several characteristics were also illustrated for the vision of the future. Empowering employees to take ownership in this area will instill some of the characteristics mentioned beginning with being proactive, creative, challenging the norm, and being goal driven.

Analyze employee pay scales, job descriptions, performance reviews, and the new employee hiring process:

One of the outcomes of the survey indicated that employees felt that rewards and compensation may not be adequate. The results showed that employee raises are not based on job performance, pay rates are somewhat unfair, employees find little growth opportunities, and are not rewarded for a job well done. Due to the fact that these feelings do have an end result on the organizations success, they must be addressed. The following are the recommendations for XYZ Manufacturing Company.

Job Descriptions and Pay Scales:

It is the recommendation that XYZ Manufacturing Company hire an outside consultant to perform a compensation study. This will ensure a fair study and will make certain that all

employees are adequately compensated for the work that they do. The study will help increase morale and retain qualified employees.

Additionally, it will aid in the assembly of job descriptions to be documented along with training, experience, and/or education needed to perform particular jobs. The consultant should research salaries within the area to ensure that employees are compensated correctly and form pay scales that managers can use to correctly compensate current and newly hired employees. The study must also form levels of positions within the organization for employees to grow to (see appendix E for an example of the plan that is proposed).

Performance Reviews:

In order to effectively monitor employee performance and organizational performance over time, it is important for XYZ Manufacturing Company to have a set performance review process. It is the recommendation that the company streamline this process to include (1) a set format for the employee review document, (2) use a scoring process that yields percentages, (3) all employees to be reviewed in a set timeframe, twice per year, (4) one performance review to be done by the employees manager and one to be done by the employee, (5) track individual employee performance and organization improvement over time.

Recommendations for Future Study

Some recommendations for future study at XYZ Manufacturing include:

- Perform a culture assessment yearly to track progress. A follow-up study using the same instrument in 1 year's time should be completed to assess the culture. Special attention to be placed on monitoring the identified elements such as change, rewards and compensation, and communication. This will increase credibility to the process, as XYZ Manufacturing Company employees should be aware and believe in the commitment to improve the organization's culture.
 - Set a goal to increase the areas of change, communication, and rewards and compensation by 10%, to be achieved by year end 2004
 - Keep the survey in the same format to use it as a benchmark, but consider making some of the following changes:
 - Currently, the survey has three sub-categories within the category Business Principles that include (1) Strategic Direction, (2) Values and (3) Vision and Mission. Now that the survey has been completed, it is evident that the Vision and Mission and Strategic Direction sub-categories are closely linked. The Vision and Mission sub-category includes questions on the decisions made based on the organizations statements, excitement and motivation for, and understanding of. Strategic Direction includes questions on believing in the plan, commitment to goals, tracking of goals and involvement. A possible change would be to combine strategic direction and vision and mission and add a sub-category on goals.

- Depending on how the organization feels its trust levels have risen, the survey may want to exclude demographic questions to ensure them of anonymity
- XYZ Manufacturing Company may want to hold the survey in a set location. This will improve the response rate and discourage employees from having discussions on how they answered specific questions.
- To increase understanding and facilitate idea generation, the results should be handed out in action planning or feedback sessions, rather than handed out without discussion.
- Add more qualitative analysis to the study.
 - The only portion of qualitative analysis done was allowing the employee's to add comments and suggestions
 - If XYZ Manufacturing Company were to interview employees of the organization, it is suggested that an outside consultant be hired to do so.

In conclusion, in order to improve the culture of XYZ Manufacturing Company, all employees must understand what culture is and how it and their actions affect the organization. In addition, all executive team members must make a long term commitment to its improvement and efforts made to do so.

Many recommendations have been made in this study that will start the process, but XYZ Manufacturing Company must realize that change is constant and to take into account that:

“Success does not revolve on any one reward system, training initiative or strategic plan. It is now being realized that true success stems from a strong, healthy culture. In order to manage culture, an organized approach is needed to get at the heart of the organization...” (Juechter et al., 1998, pg. 63).

Changing culture is not like overnight surgery or the “flavor of the month” project, as it needs time and commitment in order to be changed. Changing culture is shaping beliefs, assumptions, values, and patterns of behavior. It is changing mindsets and coming to new ways of thinking (Jack Pachuta, personal communication, November 9, 2003).” Lastly, a piece of advice for XYZ Manufacturing and its employees to take into account: “What lies behind us and what lies before us are tiny matters compared to what lies within us” (Emerson, 2003).

REFERENCES

- Al-Shammari, M. M. (1992). Organizational Climate. *Leadership & Organizational Development Journal*, 13(6), 30-45.
- Baker, K. A. (2002, 2002). *Organizational Culture*. Retrieved December 1, 2003, 2003, from <http://www.sc.doe.gov/sc-5/benchmark/Ch%2011%20Organizational%20Culture%2006.08.02.pdf>
- Bell, A. (2003). *Quote*. Retrieved December 2, 2003 from www.worldofquotes.com/author/Alexander-Graham-Bell/1/1
- Cameron, K. S., & Quinn, R. E. (1998). *Diagnosing and Changing Organizational Culture*: Addison-Wesley.
- Crouch, Clark (2003). *Strategic Planning Definitions*. Retrieved November 23, 2003, from <http://crouchnet.com/planning.html>
- Clemente, M. N. (2003). *Managing Corporate Culture for Strategic Success*. Retrieved August 13, 2003 from <http://www.smartpros.com/x36880.xml>
- Collins, J. C., & Porras, J. I. (2002). *Built to Last: Successful habits of visionary companies*. New York: Harper Business Essentials.
- Denison, D. R. (1990). *Corporate Culture and Organizational Effectiveness*. New York: John Wiley & Sons.
- Denison, D. R. (2003). *Website*. Retrieved August 6, 2003, 2003, from www.denisonculture.com
- Effective Ways to Manage Change in Your Organization*. (2002). Retrieved December 7, 2003, 2003, from www.socap.org/Publications/Quicktakes/managechange.html
- Fairholm, G. W. (1994). *Leadership and the Culture of Trust*. Westport: Praeger Publishers.
- Flanning, I. (2001). *The Top Ten Ways to Create Powerful Change in Your Organization*. Retrieved December 2, 2003, 2003, from www.changeyourlife.com
- Hathaway, P. (2000). Resistance to Change. *Innovative Leader*, 9(October 2000).
- Juechter, M., Fisher, C., & Alford, R. J. (1998). Five Conditions for High Performance Cultures. *Training & Development* (May 1998), 63-67.
- Kraut, A. I. (1996). *Organizational Surveys* (Vol. sixth). San Francisco: Jossey-Bass.

- Langdon, D. (2003, November 16, 2003). *Changing The Company's Cultural Clothes*. Retrieved November 16, 2003, 2003, from www.hr.com
- Lui, K. (2003). Organizational Development Class Notes. Menomonie.
- Marc, D.-L., & Farbrother, S. (2003). Changing Organization Culture, One Face at a Time. *Public Management* (October 2003), 14-17.
- Mink, B. EdD, (2003). *Seminar*. Fielding Graduate Institute. (January 2003).
- Moran, E. T., & Volkwein, J. F. (1992). The cultural approach to the formulation of organizational culture. *Human Relations*, 45(1), 19-47.
- Musante, L. A. (2003, November 11, 2001). *Better Living Through Culture*. Retrieved November 15, 2003, 2003, from www.optimize.com/issue/001/pr_culture.htm
- Palmer, S. (Fall, 1999). *Center Solutions*. Retrieved October 1, 2003, 2003, from www.greaterorganizations.com
- Pfeffer, J. (1994). *Competitive Advantage Through People: Unleashing the Power of the Work Force*. Harvard Business School Press.
- Porter, M. (1980). *Competitive Strategy*. New York: Free Press.
- Richard Hagberg, P. D., & Julie Heifetz, P. D. (2003, 2000). *Corporate Culture/Organizational Culture: Understanding and Assessment*. Retrieved November 15, 2003, 2003, from www.hcgnet.com
- Roger Harrison, P. D., & Stokes, H. (1992). *Diagnosing Organizational Culture*. San Francisco: Jossey-Bass/Pfeiffer.
- Schein, E. H. (1992a). *Organizational Culture and Leadership* (Second ed.). San Francisco: Jossey-Bass.
- Wegner, E. C., & Snyder, W. M. (2000). Communities of Practice: The Organizational Frontier. *Harvard Business Review*, 78(1), 139-145.



Company Logo

Company Name
Culture Assessment
2003

Consent for Research:

I understand that by returning this survey, I am giving my informed consent as a participating volunteer in this study. I understand the basic nature of the study and agree that any potential risks are exceedingly small. I also understand the potential benefits that might be realized from the successful completion of this study. I am aware that the information is being sought in a specific manner so that only minimal identifiers are necessary and so that confidentiality is guaranteed. I realize that I have the right to refuse to participate and that my right to withdraw from participation at any time during the study will be respected with no prejudice.

Note: Questions or concerns about the research study should be addressed to Andrea Price, the researcher, [Company Name], [Company Address] or Kat Lui, the research advisor, UW-Stout M.S. Training & Development Program Director, 140 Communication Technologies Building, Menomonie, WI, 54751, phone (715) 232-5634. Questions about the rights of research can be addressed to Sue Foxwell, Human Protections Administrator, UW-Stout Institutional Review Board for the Protection of Human Subjects in Research, 11 Harvey Hall, Menomonie, WI, 54751, phone (715) 232-1126

APPENDIX A – Culture Assessment Survey
Page 2 of 6

Thank you for participating in this survey. We are assessing the organization's strengths and finding out about its weaknesses. Your thoughts and feelings are important input to the organization. Your responses will remain anonymous, so please answer with complete honesty.

Instructions:

Use either pen or pencil. Most survey entries are answered by filling in or circling one of the numbers displayed like this in a row: ① ② ③ ④ ⑤ ⑥

If you strongly **disagree** with the statement, circle or fill one number towards the left.

If you strongly **agree** with the statement, circle or fill in one number towards the right.

If the questions does not pertain to you, circle the "n/a" choice.

All surveys need to be returned by Monday, September 8th, 2003

To keep confidentiality, please place the completed survey in the drop box located in the lunchroom.

Which one of the following best describes your position?					
①	Operations	②	Administration	③	Management
_____	<i>Includes:</i> -Machining -Production -Materials Management	_____	<i>Includes:</i> -Accounting / Office -Sales & Marketing -Engineering	_____	<i>Includes:</i> Direct management reporting to President or CEO

Years of Service:	
① _____	0 - 3 years
② _____	4 - 8 years
③ _____	9 - 15 years
④ _____	16 years or more

IA. Empowerment

I believe that I can have a positive impact on the organization.....	Strongly Disagree → Strongly Agree	n/a
I make my own decisions on the job.....	① ② ③ ④ ⑤ ⑥	n/a
I am accountable and responsible for my work.....	① ② ③ ④ ⑤ ⑥	n/a
I am willing to take risks.....	① ② ③ ④ ⑤ ⑥	n/a
People rely on my individual judgment.....	① ② ③ ④ ⑤ ⑥	n/a

IB. Competencies & Capability Development

Problems arise because we do not have the skills necessary to do the job.....	Strongly Disagree → Strongly Agree	n/a
I have been provided the training needed in order to perform my job well.....	① ② ③ ④ ⑤ ⑥	n/a
There is opportunity to enhance my job related skills.....	① ② ③ ④ ⑤ ⑥	n/a
My job makes good use of my skills and abilities.....	① ② ③ ④ ⑤ ⑥	n/a
I have the tools and equipment I need to perform well.....	① ② ③ ④ ⑤ ⑥	n/a

APPENDIX A – Culture Assessment Survey
Page 3 of 6

IC. Change

I have suggested recommendations that have lead to changes.....	Strongly Disagree → Strongly Agree ① ② ③ ④ ⑤ ⑥	n/a
Attempts to create change usually meet with resistance.....	① ② ③ ④ ⑤ ⑥	n/a
I am respected and rewarded for looking for new and better ways of doing things in the organization.....	① ② ③ ④ ⑤ ⑥	n/a
My immediate work unit has a need for improvement.....	① ② ③ ④ ⑤ ⑥	n/a
People in the organization are proactive and quickly adapt to change.....	① ② ③ ④ ⑤ ⑥	n/a

IIA. Strategic Direction

The organizations strategic direction is clear to me.....	Strongly Disagree → Strongly Agree ① ② ③ ④ ⑤ ⑥	n/a
I am committed to the goals of the organization.....	① ② ③ ④ ⑤ ⑥	n/a
I believe in the organization's strategic plan.....	① ② ③ ④ ⑤ ⑥	n/a
We continuously track our progress against our stated goals.....	① ② ③ ④ ⑤ ⑥	n/a
I am involved in the goals & objectives of the strategic plan.....	① ② ③ ④ ⑤ ⑥	n/a

IIB. Values

There is a clear and consistent set of values that govern that way we do business.....	Strongly Disagree → Strongly Agree ① ② ③ ④ ⑤ ⑥	n/a
People in our organization mutually respect each other.....	① ② ③ ④ ⑤ ⑥	n/a
There is a high level of trust among everyone.....	① ② ③ ④ ⑤ ⑥	n/a
The values and beliefs in our workforce promote quality of work.....	① ② ③ ④ ⑤ ⑥	n/a
The actions conducted by most employees are fair and honest.....	① ② ③ ④ ⑤ ⑥	n/a

IIC. Vision & Mission

We have a shared vision of what the organization will be like in the future....	Strongly Disagree → Strongly Agree ① ② ③ ④ ⑤ ⑥	n/a
Our vision for the future is attainable.....	① ② ③ ④ ⑤ ⑥	n/a
Our vision & mission creates excitement and motivation for our employees...	① ② ③ ④ ⑤ ⑥	n/a
I make decisions based on the organization's mission & vision.....	① ② ③ ④ ⑤ ⑥	n/a
I have a good understanding about my role in the organization and how it relates to the mission & vision.....	① ② ③ ④ ⑤ ⑥	n/a

IIIA. Rewards & Compensation

My raises have been based on how well I do my job.....	Strongly Disagree → Strongly Agree ① ② ③ ④ ⑤ ⑥	n/a
My job provides/ or can provide growth opportunities.....	① ② ③ ④ ⑤ ⑥	n/a
My current rate of pay is fair.....	① ② ③ ④ ⑤ ⑥	n/a
I am rewarded for a job done well.....	① ② ③ ④ ⑤ ⑥	n/a
I am satisfied with my total benefits package.....	① ② ③ ④ ⑤ ⑥	n/a

APPENDIX A – Culture Assessment Survey
Page 4 of 6

IIIB. Morale

	Strongly Disagree	1	2	3	4	5	Strongly Agree	
I manage the pressure related to my job well.....	①	②	③	④	⑤	⑥		n/a
I like the tasks that I perform on my job.....	①	②	③	④	⑤	⑥		n/a
My job expectations are clear.....	①	②	③	④	⑤	⑥		n/a
I believe that I have long-term job security as long as I do my job well.....	①	②	③	④	⑤	⑥		n/a
I see myself with this organization 5 years from now.....	①	②	③	④	⑤	⑥		n/a

IIIC. Supervisor Relations

	Strongly Disagree	1	2	3	4	5	Strongly Agree	
How my immediate supervisor acts on a day to day basis reflect the values of the organization.....	①	②	③	④	⑤	⑥		n/a
My immediate supervisor follows through on his/her commitments.....	①	②	③	④	⑤	⑥		n/a
My immediate supervisor has a clear understanding of my skills and abilities.....	①	②	③	④	⑤	⑥		n/a
Positive working relationships exist between me and my immediate supervisor.....	①	②	③	④	⑤	⑥		n/a
My immediate supervisor has realistic expectations and goals for me.....	①	②	③	④	⑤	⑥		n/a

IVA. Customer Focus (Internal and External)

	Strongly Disagree	1	2	3	4	5	Strongly Agree	
Comments and recommendations often lead to changes.....	①	②	③	④	⑤	⑥		n/a
I care about what customers think of our products/services.....	①	②	③	④	⑤	⑥		n/a
I believe that the quality of my work is important to the overall success of the organization.....	①	②	③	④	⑤	⑥		n/a
I always consider meeting deadlines and commitments as essential to my effectiveness in my job.....	①	②	③	④	⑤	⑥		n/a
People in our organization have a sense of urgency about the need to deliver quality products/service in a timely manner.....	①	②	③	④	⑤	⑥		n/a

IVB. Communication

	Strongly Disagree	1	2	3	4	5	Strongly Agree	
People communicate well with respect to projects across different parts of the organization.....	①	②	③	④	⑤	⑥		n/a
I openly share ideas, fears, and concerns within the organization.....	①	②	③	④	⑤	⑥		n/a
The organization's expectations are well communicated to me.....	①	②	③	④	⑤	⑥		n/a
People share their knowledge with each other to improve our overall effectiveness.....	①	②	③	④	⑤	⑥		n/a
In our organization, conflicts are confronted directly to settle disagreements rather than avoiding or ignoring problems.....	①	②	③	④	⑤	⑥		n/a

IVC. Teamwork

I regularly participate as a member of a team.....	Strongly Disagree → Strongly Agree ① ② ③ ④ ⑤ ⑥	n/a
Working as a member of a team, rather than working independently produces better results.....	① ② ③ ④ ⑤ ⑥	n/a
When working with a team, the team members accept differences of opinions and still commit themselves to work together.....	① ② ③ ④ ⑤ ⑥	n/a
I dislike working in teams because fellow employees do not take responsibility for assigned tasks.....	① ② ③ ④ ⑤ ⑥	n/a
When a team is formed, it feels empowered to make decisions.....	① ② ③ ④ ⑤ ⑥	n/a

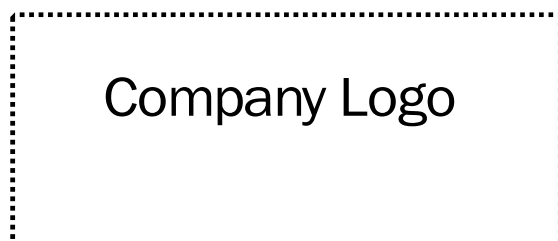
Which type of compensation is most important to you?			
(Rank the following in order of importance with a number 1 = most important, 12 = least important)			
Rank	Type	Rank	Type
	401 K Plan		Company Functions (parties, picnics, etc)
	Tuition Reimbursement		Opportunity to receive a bonus (\$)
	Base Salary		Program to help balance home & work (child care, flextime, etc)
	Vacation		Health Insurance
	Holidays		Dental Insurance
	Long term disability		Other (please specify): _____
	Life insurance		

I am most satisfied when:	
(Rank the following in order of importance with a number 1 = most important, 6 = least important)	
Rank	
	The organization meets company goals
	I am rewarded financially
	I am publicly recognized for doing a good job
	We can meet and exceed our customer's needs
	I meet my own goals
	Our team/department is recognized as doing outstanding
	Other (please specify): _____

Additional Comments/Suggestions:

Thank you for taking the time and effort to fill out this survey.
Your input is highly valued and will be taken into consideration.
As always, your confidentiality is guaranteed.

Please place your survey into the drop box located in the lunchroom.



Company Logo



Company Name

Culture Assessment

Summer 2003
Results

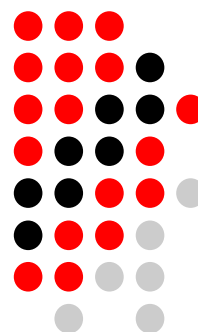


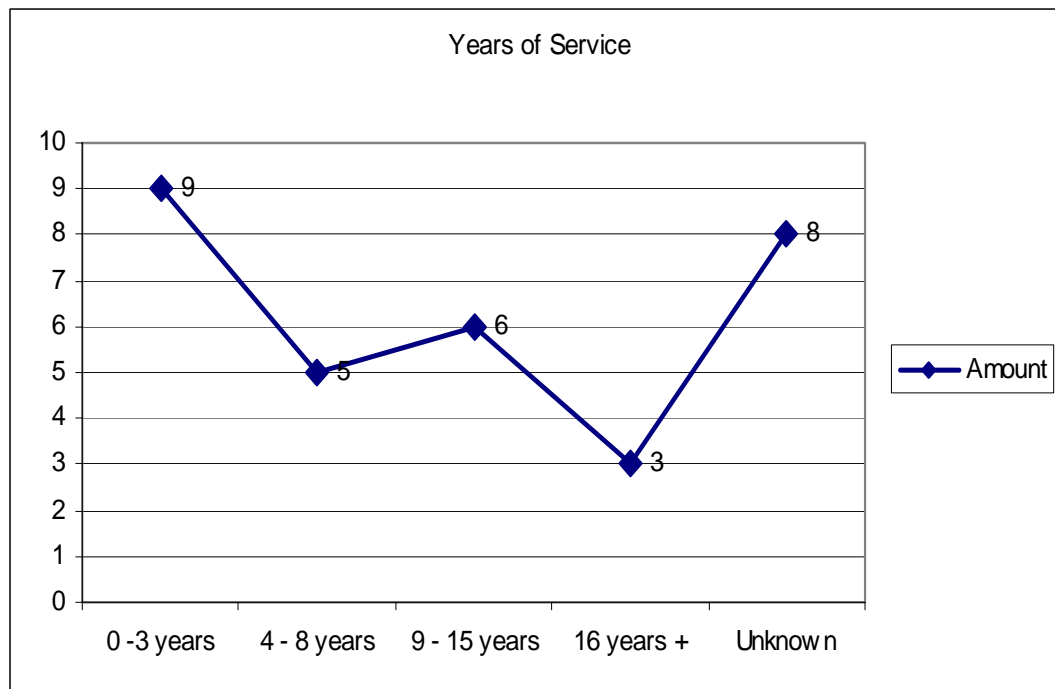
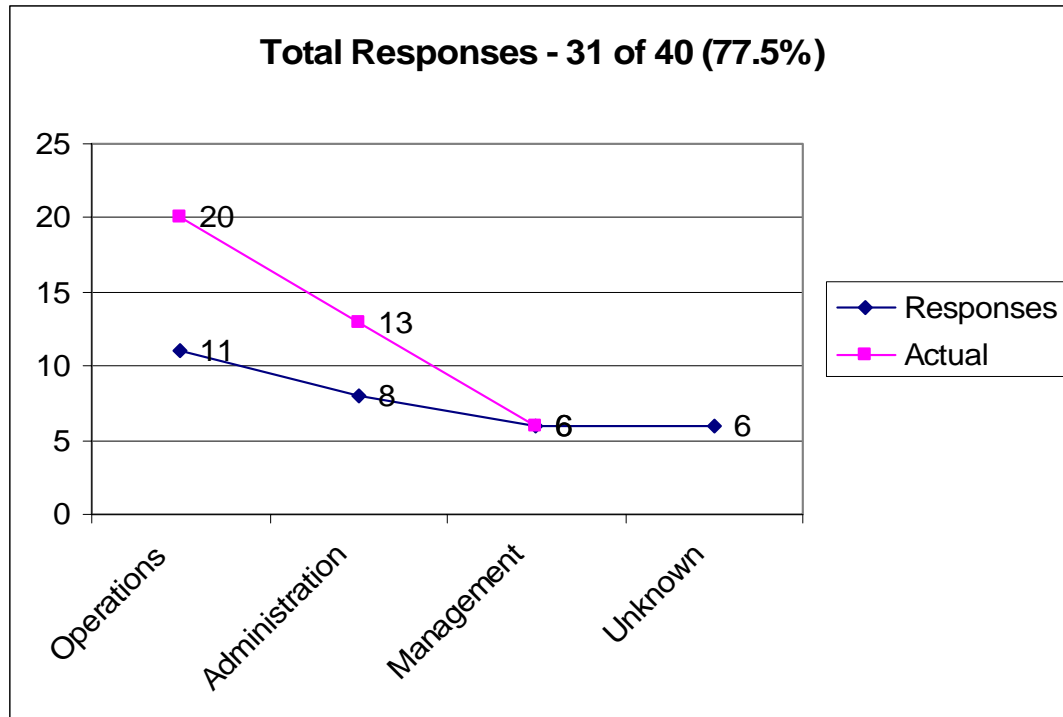


Table of Contents

Total Responses.....	3
-Department	
-Years of Service	
Culture Wheel.....	4
-All Survey Respondents	
Involvement.....	5
-Individual questions & answers	
Business Principles.....	6
-Individual questions & answers	
Working Relationships.....	7
-Individual questions & answers	
Employee Satisfaction.....	8
-Individual questions & answers	
Ranking Questions.....	9
-Average of all respondents	
Comments & Suggestions.....	10

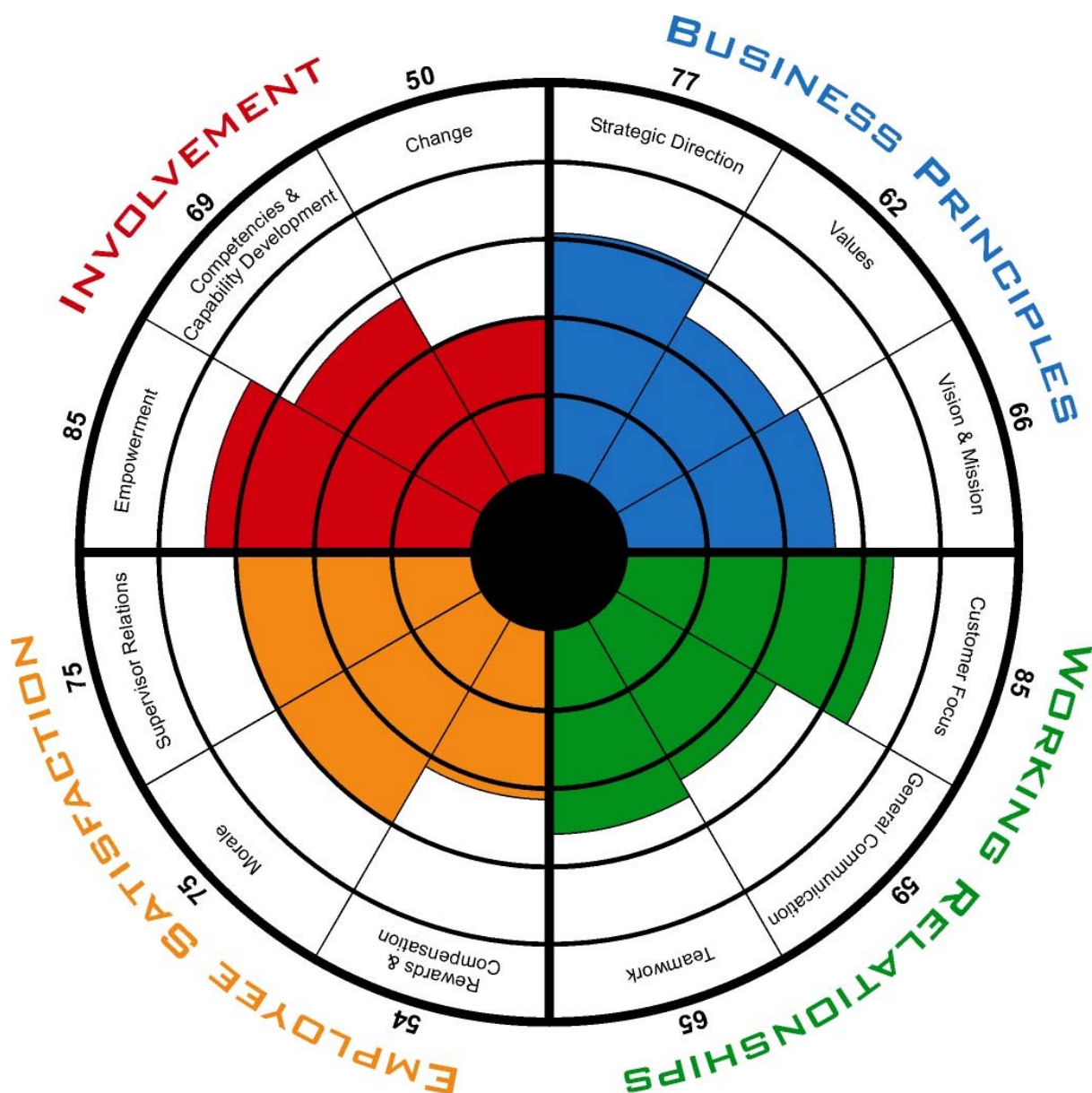
Assess culture → Identify areas for improvement → Take action

APPENDIX B – Survey Results Booklet used in Strategic Planning
Page 3 of 10



Organizational Culture Wheel

All Survey Respondents



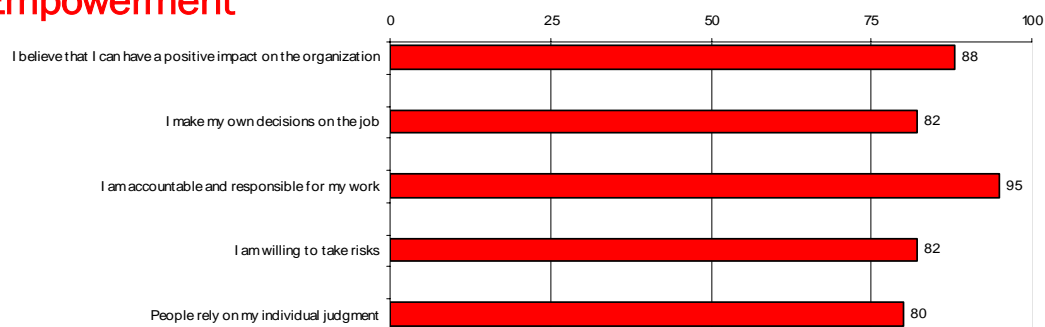
The circular profile displays four categories and three sub-categories within each category to provide a graphic representation of the organization's culture. The profile displays scores in **percentiles**. Generally, the higher the quartile score, the higher-performing organization.

APPENDIX B – Survey Results Booklet used in Strategic Planning
Page 5 of 10

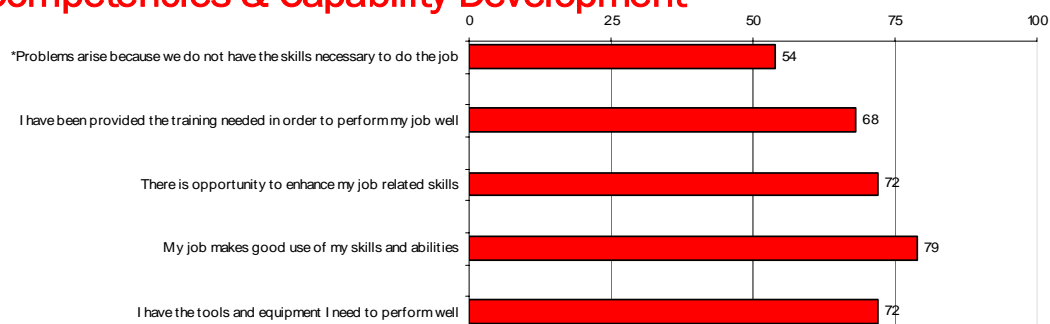


Involvement

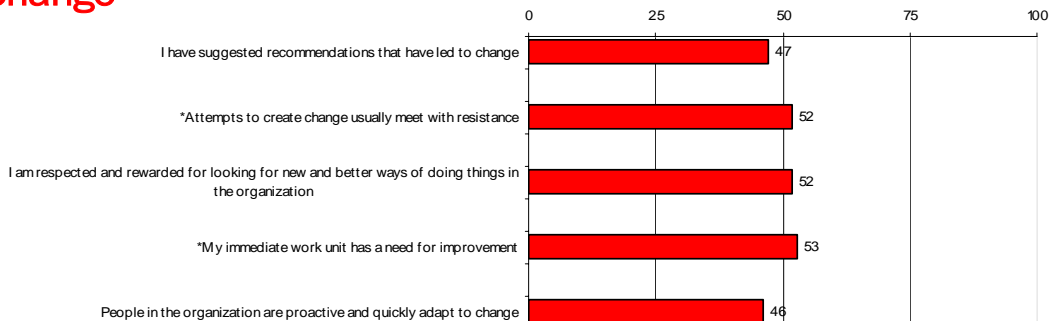
Empowerment



Competencies & Capability Development



Change



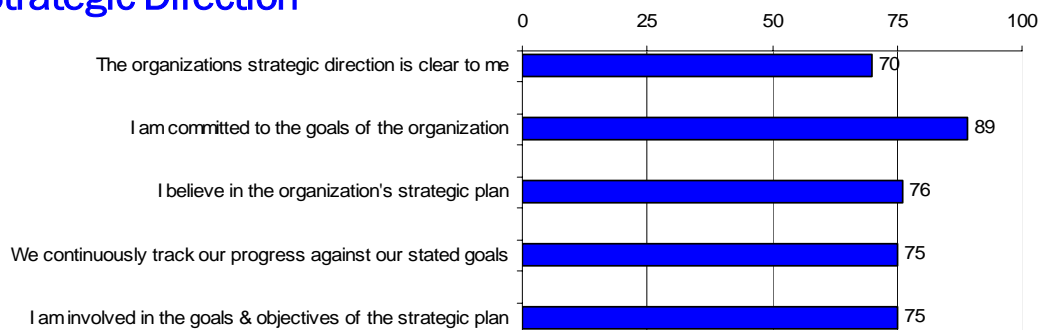
APPENDIX B – Survey Results Booklet used in Strategic Planning

Page 6 of 10



Business Principles

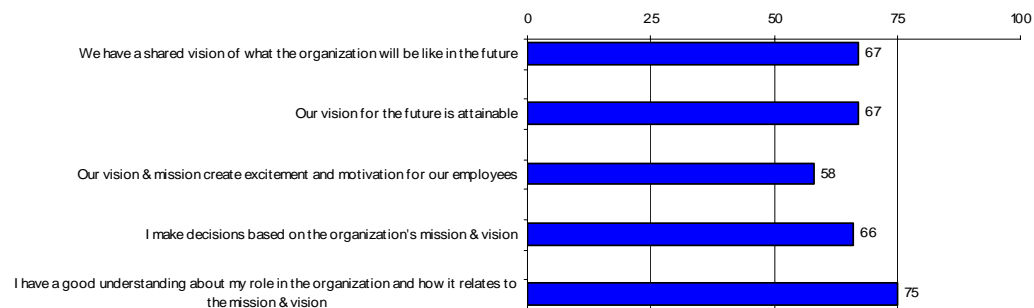
Strategic Direction

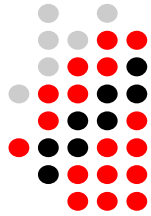


Values



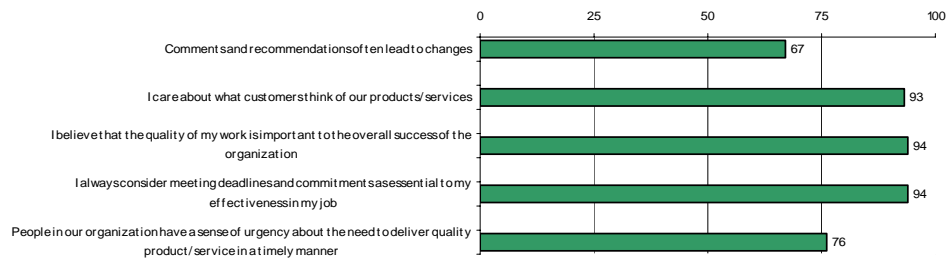
Vision & Mission



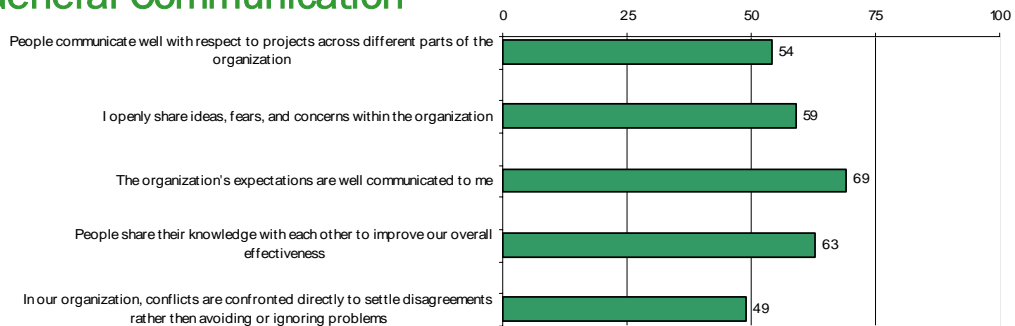


Working Relationships

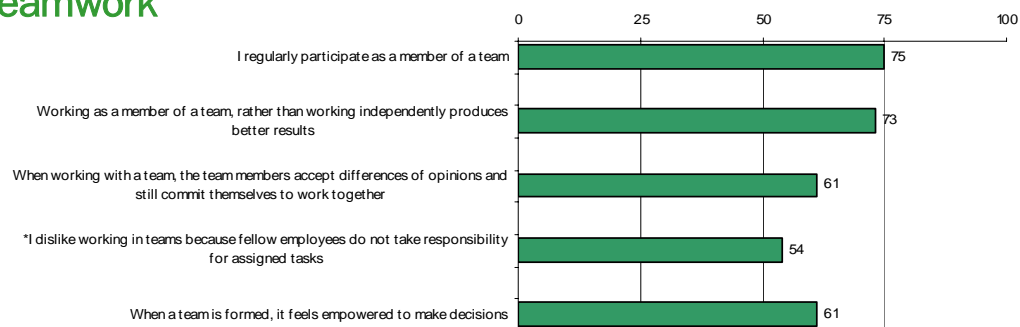
Customer Focus



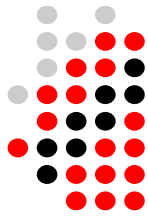
General Communication



Teamwork

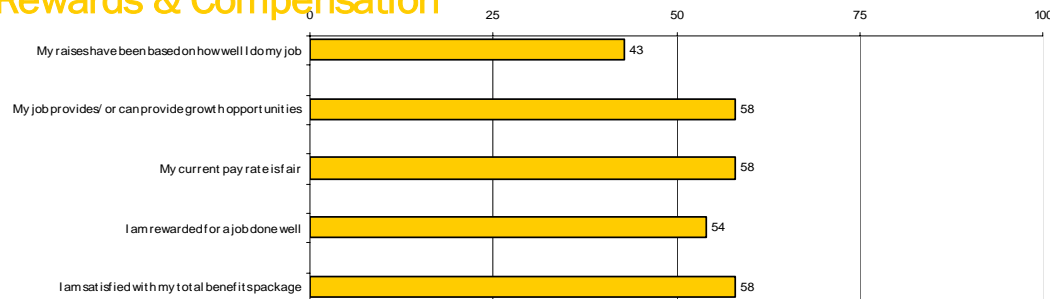


APPENDIX B – Survey Results Booklet used in Strategic Planning
Page 8 of 10



Employee Satisfaction

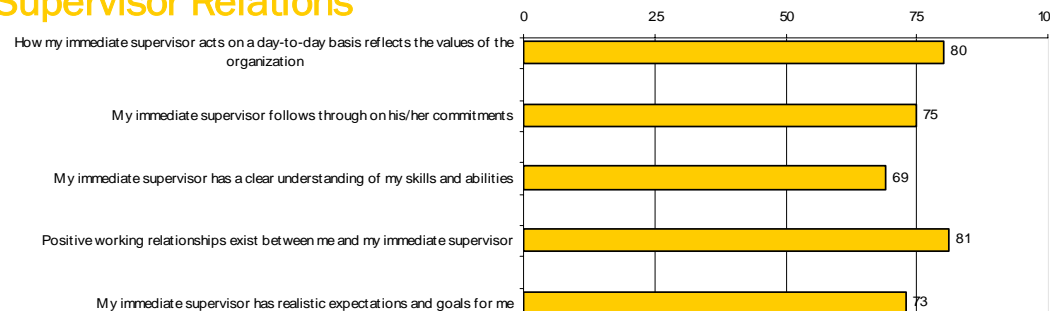
Rewards & Compensation

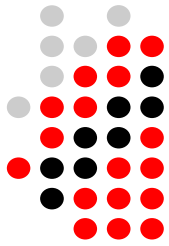


Morale



Supervisor Relations

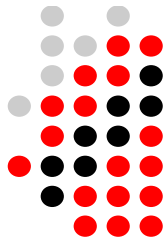




Ranking Questions

I am most satisfied when:	
Average Ranking	
#1	Rewarded \$
#2	Meet personal goals
#3	Exceed customer expectations
#4	Company goals met
#5	Team/Dept recognized
#6	Publicly recognized
#7	Other
Other answers consisted of: Sick days, Personal days	

Which type of compensation is most important to you?			
Average Ranking	Type	Average Ranking	Type
#1	Base Salary	#8	Life insurance
#2	Health Insurance	#9	Program to help balance home & work (child care, flextime, etc)
#3	Opportunity to receive a bonus (\$)	#10	Long term disability
#4	Vacation	#11	Company Functions (parties, picnics, etc)
#5	401 K Plan	#12	Other
#6	Holidays	#13	Tuition Reimbursement
#7	Dental Insurance		
Other answers consisted of: Short Term Disability, Growing Profits, & Training			



Comments & Suggestions

Additional Comments/Suggestions	
<ul style="list-style-type: none"> “Unfortunately right now the company is ruled by a culture of fear and mistrust that eliminates from top management. This in turn deviates organization energy. As many team members spend copious amounts of time covering their backsides and glad handling, boot licking, and kissing butt of those they feel wield power (lack of respect)” 	
<ul style="list-style-type: none"> “I feel supervisors must be able to demonstrate [Company Name] values and be decent and fair to work for because my view of [Company Name] is directly related to how I’m treated by my supervisor” 	
<ul style="list-style-type: none"> “Non-trusting work environment” 	
<ul style="list-style-type: none"> “Sick days/ personal days needed” 	
<ul style="list-style-type: none"> “Most thesis’s require that’s something be proved. It was not made clear what was being proved in this survey. A survey by itself cannot prove anything. It would have been helpful and potentially legitimized the survey if a clear articulation of the thesis was presented.” 	
<ul style="list-style-type: none"> “People in this organization are stretched far beyond the limits right now. They do not have enough time to get the things done that they need to do. Some people come to work on time and leave on time while others are working far more hours in the day. It is not fair that just because management knows some people will put extra effort in that they rely only on them and not on the people who do not do anything around here.” 	
<ul style="list-style-type: none"> “No one trusts anyone around here.” 	
<ul style="list-style-type: none"> “Employees are not valued. People here do not how to say “thank you” for a job well done.” 	
<ul style="list-style-type: none"> “Not enough resources” 	

[Employee Name]
[Employee Address]
[City], [State] [ZipCode]

Dear [Salutation],

For the final phase of my graduate work in Training & Organizational Development through University of Wisconsin-Stout, I am conducting a Culture Assessment of [Company Name]. The study will consist of a survey that will be given to all employees at [Company Name] in the near future.

In the survey, it will ask questions relative to **employee satisfaction, involvement, business principles, and the working relationships** that you have at [Company Name]. This will provide you with an opportunity to give feedback to foster the organization's development. All information will be kept strictly confidential and any reports of the findings of this research will not contain your name.

Your honest input on the survey is extremely important, not only for the completion of my master's degree, but to the organization as it strives to improve in the areas addressed. I appreciate your help in completing the survey by September 8, 2003. If you have any questions, please feel free to ask.

This is your opportunity to be heard – CONFIDENTIALLY!

Sincerely,

Andrea C. Price
Graduate Student
University of Wisconsin-Stout
Email: [Email Address]
Home: [Home Phone]
Office: [Office Phone]

<u>I. Involvement</u>	
<i>Building human capability, ownership and responsibility.</i>	
A. Empowerment	
<ul style="list-style-type: none"> • Authority, initiative and ability to manage their own work. Creates a sense of ownership and responsibility towards the organization. 	
B. Competency & Capability Development	
<ul style="list-style-type: none"> • Individual work related skills and knowledge. How the organization continues to invest the development of employee's skills in order to stay competitive and meet ongoing business needs. 	
C. Change	
<ul style="list-style-type: none"> • How employees respond and accept change within the organization. Creates adaptive ways to meet challenging needs and able to read the business environment quickly to react quickly to current trends, and anticipate future needs. 	

<u>II. Business Principles</u>	
<i>Defining a meaningful, long term direction for the organization.</i>	
A. Strategic Direction	
<ul style="list-style-type: none"> • Clear strategic intentions convey the organization's purpose, made clear how everyone can contribute to. A clear set of goals and objectives can be linked to the mission, vision, and strategy, and provide everyone with a clear direction in their work. 	
B. Values	
<ul style="list-style-type: none"> • Members of the organization share a set of values which create a sense of identity and a clear set of expectations. 	
C. Vision	
<ul style="list-style-type: none"> • The organization has a shared view of the desired future state. It embodies core values and captures the hearts and minds of the organization's people, while providing guidance and direction. 	

<u>III. Employee Satisfaction</u>	
<i>Building an environment that is focused on employee needs.</i>	
A. Rewards & Compensation	

<ul style="list-style-type: none"> • Compensation including an employee's gross pay rate, incentives, and benefits program. Recognition and rewards are given to employees of warrant.
B. Morale
<ul style="list-style-type: none"> • Morale is how an employee feels about themselves and the company on the job.
C. Supervisor Relations
<ul style="list-style-type: none"> • How the employee communicates and feels about their direct supervisor.

IV. Working Relationships

Defining the values and systems that are a basis for a strong culture.

A. Customer Focus
<ul style="list-style-type: none"> • Meeting the needs and expectations of the persons for whom you are performing your work. Involves understanding and reacting to customers, and anticipating future needs. It reflects the degree to which the organization is driven by a concern to satisfy their customer.
B. Communication
<ul style="list-style-type: none"> • Different functions and units of the organization are able to work together well to achieve common goals. Organizational boundaries do not interfere with getting work done.
C. Teamwork
<ul style="list-style-type: none"> • How the employee works as a team member.

Compensation Study XYZ Manufacturing Company

Salaries.com

Presented by:
[Name of Consultant]
[Contact Information]
25 November 2003

**CARLSON
DETTMANN**
ASSOCIATES LLC

XYZ Manufacturing Company

Project scope

Salaries.com

- **Study covers all plant and office positions**
- **Study will measure:**
 - Job responsibilities
 - Internal comparability
 - Salary markets
- **Consultant will recommend:**
 - Pay structure
 - Administration

**CARLSON
DETTMANN**
ASSOCIATES LLC

XYZ Manufacturing Company

Ideal compensation program

Salaries.com

- **Make pay a non-issue**
- **Facilitate ease in recruitment**
- **Retain qualified employees**
- **Fair**
- **Simple to understand and administer**
- **Predictable**
- **Responsive to economic reality**

CARLSON
DETMANN
ASSOCIATES LLC

XYZ Manufacturing Company

CDC approach

Salaries.com

- **Use objective job evaluation to establish internal consistency**
- **Use market data to pay competitively in your employment markets**

CARLSON
DETMANN
ASSOCIATES LLC

XYZ Manufacturing Company

Steps to ensure internal consistency



- **Job documentation**
- **Job analysis**
- **Job evaluation**

CARLSON
DETTMANN
ASSOCIATES LLC

XYZ Manufacturing Company

Job Descriptions



- This is the critical document
- Collect key job information
- Used as a basis for job evaluation

CARLSON
DETTMANN
ASSOCIATES LLC

XYZ Manufacturing Company

Job evaluation



- **Formal process for ordering a set of jobs**
- **Independent of individual performance**
- **Creates a hierarchy based on the value or worth of jobs in the organization**

CARLSON
DETTMANN
ASSOCIATES LLC

XYZ Manufacturing Company

Evaluation factors



- **Formal preparation and experience**
- **Decision-making (impact)**
- **Thinking challenges and problem solving**
- **Interactions and communications**
- **Work environment**

CARLSON
DETTMANN
ASSOCIATES LLC

XYZ Manufacturing Company

Market measurement



- **For a set of benchmark positions**
- **Gather data**
 - **Comparable employers in recruitment area(s)**
 - **Multiple compensation surveys used to develop pricing on benchmark positions**

CARLSON
DETTMANN
ASSOCIATES LLC

XYZ Manufacturing Company

Compensation Plan Design



- **Decisions to be made**
 - **Number of grades**
 - **Spread of pay ranges**
 - **Range progression method**

CARLSON
DETTMANN
ASSOCIATES LLC

XYZ Manufacturing Company

Steps to Project Completion

Salaries.com

- Review materials provided today
- Complete position description questionnaires (J.D.Q.)
- Supervisor/Manager reviews and signs off on J.D.Q.'s

CARLSON
DETTMANN
ASSOCIATES LLC

XYZ Manufacturing Company

Steps to Project Completion

Salaries.com

- Job Evaluation
 - December 2003
- Market Pricing
 - December 2003
- Pay Structure design and roll-out
 - January 2004

CARLSON
DETTMANN
ASSOCIATES LLC

XYZ Manufacturing Company